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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 19, 2010**

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware		
(State or Other Jurisdiction of Incorporation)	**0-27231** (Commission File Number)	**13-3818604** (I.R.S. Employer Identification Number)

4820 Eastgate Mall
San Diego, CA 92121
(Address of Principal Executive Offices) (Zip Code)

(858) 812-7300
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Indenture and Notes

On May 19, 2010, Kratos Defense & Security Solutions, Inc. (the "Company") issued $225 million in aggregate principal amount of 10% Senior Secured Notes due 2017 (the "Notes"). The Company received approximately $216 million in net cash proceeds from the offering, and used approximately $133 million of such proceeds to fund the acquisition of Gichner Holdings, Inc. ("Gichner") (as further described in Item 2.01 below) and approximately $54 million of such proceeds to retire existing debt. The Company intends to use the remaining net cash proceeds of the offering for general corporate purposes.

The Notes were issued under an Indenture dated as of May 19, 2010 (the "Indenture"), by and among the Company, the Guarantors, who consist of all of the Company's existing, and future U.S. subsidiaries, and Wilmington Trust FSB, as Trustee ("Wilmington"). The Notes were sold inside the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. The following is a brief description of the material provisions of the Indenture and the Notes.

Interest—The Notes bear interest at a rate of 10% per annum. The interest on the Notes is payable semi-annually, in arrears, on June 1 and December 1 of each year, beginning on December 1, 2010.

Maturity—The Notes will mature on June 1, 2017. All principal will be paid at maturity.

Guarantees—The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by the Guarantors.

Security—Pursuant to the terms of a Security Agreement dated May 19, 2010 by and among the Company, the Guarantors and Wilmington (the "Notes Security Agreement"), the Notes and the related guarantees are secured by a lien on substantially all of the Company's and the Guarantors' assets, subject to certain exceptions and permitted liens. Pursuant to the terms of an Intercreditor Agreement dated May 19, 2010 by and among Wilmington and Key Bank National Association (the "Intercreditor Agreement"), the security interest in such assets (other than real property, plant, equipment, certain intellectual property and the capital stock of subsidiaries of the Company (collectively, the "Notes Priority Collateral")) that secure the Notes and the guarantees is contractually subordinated to liens that secure the new $25.0 million revolving line of credit described below. The security interest in assets securing the new credit facility that consist of Notes Priority Collateral is contractually subordinated to liens that secure the Notes.

Ranking—The Notes and the guarantees rank senior in right of payment to all of the Company's and the Guarantors' existing and future subordinated indebtedness and equal in right of payment with all of the Company's and the Guarantors' existing and future senior indebtedness, including indebtedness under the new credit facility described below. Pursuant to the terms of the Intercreditor Agreement, the Notes and the related guarantees are effectively subordinated to indebtedness under the new credit facility to the extent of the value of all of the collateral other than Notes Priority Collateral.

Optional Redemption—On or after June 1, 2014, the Company may redeem some or all of the Notes at 105% of the aggregate principal amount of the Notes through June 1, 2015, 102.5% of the aggregate principal amount of the Notes through June 1, 2016 and 100% of the aggregate principal amount of the Notes thereafter, plus accrued and unpaid interest to the date of redemption. Prior to June 1, 2013, the Company may redeem up to 35% of the aggregate principal amount of the Notes at 110% of the aggregate principal amount of the Notes, plus accrued and unpaid interest to the redemption date, with the net cash proceeds of certain equity offerings. In addition, the Company may, at its option, redeem some or all of the Notes at any time prior to June 1, 2014, by paying a "make whole" premium, plus accrued and unpaid interest, if any, to the date of redemption.

Change of Control Offer—If the Company experiences certain change-of-control events, the holders of the Notes will have the right to require it to purchase all or a portion of their Notes at a price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Asset Sale Offer—Upon certain asset sales, the Company may be required to offer to use the net proceeds of an asset sale to purchase some of the Notes at 100% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Other Covenants—The Indenture contains covenants limiting the Company's ability and the ability of the Guarantors to (subject to certain exceptions): (i) incur or guarantee additional indebtedness or issue certain preferred stock; (ii) transfer or sell assets; (iii) make certain investments; (iv) pay dividends or distributions, redeem subordinated indebtedness or make other restricted payments; (v) create or incur liens; (vi) incur dividend or other payment restrictions affecting certain subsidiaries; (vii) enter into agreements that restrict dividends from subsidiaries; (viii) issue capital stock of the Company's subsidiaries; (ix) consummate a merger, consolidation or sale of all or substantially all of the Company's assets; and (x) enter into transactions with affiliates.

Events of Default—The Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Notes to become or to be declared due and payable.

The above description of the terms of the Indenture and the Notes is qualified in its entirety by the Indenture and Form of 10% Senior Secured Notes due 2017, filed as Exhibits 4.1 and 4.2 to this Current Report on Form 8-K, which are incorporated herein by reference. The above description of the terms of the Notes Security Agreement and Intercreditor Agreement is qualified in its entirety by the Notes Security Agreement and the Intercreditor Agreement, which are filed as Exhibits 10.2 and 10.3 to this Current Report on Form 8-K, respectively, and which are incorporated herein by reference.

A copy of the Company's press release, dated May 19, 2010 announcing the issuance of the Notes is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Registration Rights Agreement

On May 19, 2010, the Company and certain of the guarantors entered into a Registration Rights Agreement with Jefferies & Company, Inc. and the other Initial Purchasers of the Notes (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has agreed to file a registration statement with the U.S. Securities and Exchange Commission and to make an offer to exchange the Notes for registered, publicly tradable notes that have substantially identical terms as the Notes. If the Company fails to satisfy its obligations under the Registration Rights Agreement we may be required to pay additional interest on the Notes.

This description of the Registration Rights Agreement is qualified in its entirety by the Registration Rights Agreement filed as Exhibit 10.4 to this Current Report on Form 8-K, which is incorporated herein by reference.

Credit Facility

Concurrent with the consummation of the Note offering, on May 19, 2010, the Company entered into a Credit and Security Agreement (the "May 2010 Credit Agreement") with certain lenders and with KeyBank National Association, as Administrative Agent, Lead Arranger and Sole Book Runner. The May 2010 Credit Agreement establishes a four year formula-based $25.0 million senior secured revolving line of credit ("revolving line of credit"), with a $10.0 million sublimit for the issuance of letters of credit and a $5.0 million sublimit for swing loans. The Company may borrow funds under the revolving line of credit at a base rate based either on LIBOR or a base rate established by KeyBank. Interest is payable either monthly, in the case of base rate borrowings, or at the end of the applicable interest period (but no less frequently than quarterly) for LIBOR borrowings. Base rate borrowings bear interest at an applicable margin of 125 to 200 basis points over the base rate (which will be the greater of the prime rate or 50 basis points over the federal funds rate, with a floor of 100 basis points over one month LIBOR). LIBOR rate borrowings will bear interest at an applicable margin of 325 to 400 basis points over the LIBOR rate. The applicable margin for base rate borrowings and LIBOR borrowings will depend on the average monthly revolving credit availability. The revolving line of credit also has a commitment fee of 75 to 100 basis points, depending on the average monthly revolving credit availability.

The revolving line of credit is secured by a first priority lien on substantially all of the assets of the Company and its domestic restricted subsidiaries (other than the Notes Priority Collateral) and a second priority lien, junior only to the lien securing the notes, in the Notes Priority Collateral of the Company and such subsidiaries. The May 2010 Credit Agreement includes customary representations and warranties, as well as reporting and financial covenants, customary for financings of this type. The revolving line of credit is undrawn as of the date of this Form 8-K, with outstanding letters of credit of $1.9 million.

This description of the May 2010 Credit Agreement is qualified in its entirety by the Credit and Security Agreement (Credit Facility) filed as Exhibit 10.5 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 1.02. Termination of Material Definitive Agreement.

On May 19, 2010, contemporaneously with the execution and delivery of the May 2010 Credit Agreement, the Credit Agreement, dated as of March 3, 2010, among the Company and Key Bank National Association as Administrative Agent and Lender, Bank of America, N.A., as Syndication Agent and Lender, and KeyBanc Capital Markets and Banc of America Securities, LLC as Co-Lead Arrangers and Book Runners, was terminated and all amounts outstanding thereunder were repaid. As noted in Item 1.01 above, in conjunction with the close of the Note offering, the Company used approximately $54.0 million of the proceeds of its sale of the Notes to retire the previous term note of approximately of $35.0 million and its previously outstanding revolving credit facility of approximately $19.0 million. The Company incurred no early termination penalties in connection with the termination of the agreement.

Item 2.01. Completion of Acquisition or Disposal of Assets.

On May 19, 2010, pursuant to a Stock Purchase Agreement, dated as of April 12, 2010 (the "Purchase Agreement"), by and between the Company and the stockholders of Gichner Holdings, Inc. ("Gichner"), the Company completed its acquisition of 100% of the equity securities of Gichner (the "Acquisition"). As a result of the Acquisition, Gichner became a wholly owned subsidiary of the Company. Pursuant to the Purchase Agreement, the Company paid a total purchase price of approximately $133 million in cash. Approximately $8.1 million of the purchase price was deposited in an escrow account to satisfy Gichner's indemnification obligations, if any. On the first anniversary of the Acquisition, any funds not used to satisfy Gichner's indemnification obligations and any amounts not in dispute will be released to the Gichner stockholders.

The foregoing description of the Acquisition does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement attached as Exhibit 2.1 to the Current Report on Form 8-K filed on April 10, 2010.

A copy of the Company's press release, dated May 19, 2010 announcing the completion of the Gichner acquisition is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The audited consolidated financial statements of Gichner Holdings, Inc. as of and for the years ended December 31, 2009 and 2008, the audited consolidated financial statements of Gichner Holdings, Inc. as of and for the periods of August 22, 2007 through December 31, 2007 and January 1, 2007 through August 22, 2007, and the unaudited financial statements of Gichner Holdings, Inc. as of and for the three months ended March 31, 2010 and 2009, are filed as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

(b) Pro Forma Financial Statements.

The unaudited pro forma combined financial information of the Company is filed as Exhibit 99.2 to this Form 8-K.

(d) Exhibits

4.1	Indenture
4.2	Form of Notes (incorporated by reference to the exhibits to the indenture)
10.1	Purchase Agreement for 10% Senior Secured Notes due 2017
10.2	Security Agreement for 10% Senior Secured Notes due 2017
10.3	Intercreditor Agreement
10.4	Registration Rights Agreement
10.5	Credit and Security Agreement (credit facility)
99.1	The audited consolidated financial statements of Gichner Holdings, Inc. as of and for the years ended December 31, 2009, 2008, the audited consolidated financial statements of Gichner Holdings, Inc. as of and for the periods of August 22, 2007 through December 31, 2007 and January 1, 2007 through August 22, 2007, and the unaudited financial statements of Gichner Holdings, Inc. as of and for the three months ended March 31, 2010 and 2009
99.2	Unaudited Pro Forma Combined Financial Information
99.3	Kratos Defense & Security Solutions Press Release dated May 19, 2010, Announcing Closing of $225 Million Senior Secured Notes offering and Completion of Acquisition of Gichner Holdings, Inc.

SIGNATURES

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

Date: May 25, 2010

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: /s/ LAURA L. SIEGAL

Vice President, Corporate Controller, Secretary & Treasurer

EXHIBIT INDEX

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Exhibit 4.1

INDENTURE,

dated as of May 19, 2010,

among

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

as Issuer,

THE GUARANTORS HEREAFTER PARTIES HERETO,

as Guarantors

and

WILMINGTON TRUST FSB,

as Trustee and Collateral Agent

10% Senior Secured Notes due 2017

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	7.10
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.03; 7.08; 7.10
(c)	N.A.
311(a)	7.03; 7.11
(b)	7.03; 7.11
312(a)	2.05
(b)	7.07; 11.03
(c)	11.03
313(a)	7.06
(b)	7.06
(c)	7.06
(d)	7.06
314(a)	4.06; 4.19
(b)	12.02
(c)(1)	4.06; 11.04
(c)(2)	11.04
(c)(3)	4.06
(d)	12.03
(e)	11.05
(f)	N.A.
315(a)	7.01(b)
(b)	7.05
(c)	7.01(a)
(d)	7.01(c)
(e)	6.11
316(a)(last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	9.04
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318(a)	11.01
(b)	N.A.
(c)	11.01

N.A. means Not Applicable

NOTE: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of this Indenture.

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INDENTURE, dated as of May 19, 2010, among Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*"), the Guarantors (as herein defined) hereafter parties hereto and Wilmington Trust FSB, as Trustee (in such capacity, the "*Trustee*") and Collateral Agent (in such capacity, the "*Collateral Agent*").

Each party agrees as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 10% Senior Secured Notes due 2017 (the "*Initial Notes*") and the 10% Senior Secured Notes due 2017 issued only in exchange for a like principal amount at maturity of Initial Notes (the "*Exchange Notes*," and together with the Initial Notes, the "*Notes*"):

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. *Definitions.*

"*Acceleration Notice*" has the meaning set forth in *Section 6.02*.

"*Acquired Indebtedness*" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or at the time it merges or consolidates with or into the Company or any of its Restricted Subsidiaries or in the case of any Indebtedness assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Company or such acquisition, merger or consolidation and which Indebtedness is without recourse to the Company or any of its Subsidiaries or to any of their respective properties or assets other than the Person or the assets to which such Indebtedness related prior to the time such Person became a Restricted Subsidiary of the Company or the time of such acquisition, merger or consolidation.

"*Additional Interest*" has the meaning set forth in the Registration Rights Agreement.

"*Additional Notes*" means all 10% Senior Secured Notes due 2017 that are not Exchange Notes issued after the Issue Date (other than pursuant to *Sections 2.06*, *2.07*, *2.10* and *3.06* of this Indenture) from time to time in accordance with the terms of this Indenture, including, without limitation, the provisions of *Section 2.02*.

"*Administrative Agent*" has the meaning set forth in the definition of the term "*Credit Agreement*."

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" have meanings correlative of the foregoing.

"*Affiliate Transaction*" has the meaning set forth in *Section 4.15*.

"*Agent*" means any Registrar, Paying Agent or co-Registrar.

"*Agent Members*" has the meaning set forth in *Section 2.14* and means, with respect to the Depository, Euroclear or Clearstream, a Person who has an account with the Depository, Euroclear or Clearstream, respectively (and, with respect to the Depository, shall include Euroclear and Clearstream).

"*Applicable Premium*" means, with respect to a Note at any Redemption Date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (A) the present value at such Redemption Date of (1) the redemption price of such Note on June 1, 2014 (such redemption price being that described in *Section 3.01(a)* on or after June 1, 2014) *plus* (2) all required remaining scheduled interest payments due on such Notes through June 1, 2014, computed using a discount rate equal to the Treasury Rate *plus* 50 basis points over (B) the principal amount of such Note on such

Redemption Date. Calculation of the Applicable Premium will be made by the Company or on behalf of the Company by such Person as the Company shall designate.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depository, Euroclear and Clearstream that apply to such transfer or exchange.

"*Asset Acquisition*" means:

(1) an Investment by the Company or any Restricted Subsidiary of the Company in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Company or any Restricted Subsidiary of the Company, or shall be merged with or into the Company or any Restricted Subsidiary of the Company, or

(2) the acquisition by the Company or any Restricted Subsidiary of the Company of the assets of any Person (other than a Restricted Subsidiary of the Company) which constitute all or substantially all of the assets of such Person or comprise any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"*Asset Sale*" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer (other than a Lien in accordance with this Indenture) for value by (x) the Company or any of its Restricted Subsidiaries to any Person other than the Company or a Guarantor or (y) a Foreign Restricted Subsidiary to any Person other than the Company or a Wholly Owned Subsidiary of the Company of:

(1) any Capital Stock of any Restricted Subsidiary of the Company; or

(2) any other property or assets of the Company or any Restricted Subsidiary of the Company other than in the ordinary course of business;

provided , however, that Asset Sales shall not include:

(a) a transaction or series of related transactions for which the Company or its Restricted Subsidiaries receive aggregate consideration of less than $1.0 million;

(b) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of the Company as permitted under *Section 5.01*;

(c) any Restricted Payment permitted under *Section 4.09* or a Permitted Investment;

(d) the sale of Cash Equivalents;

(e) the sale or other disposition of used, worn out, obsolete or surplus equipment or damaged equipment the repair of which in the good faith determination of the Company is non-economical; and

(f) to the extent allowable under Section 1031 of the Code (or comparable or successor provision), any exchange of like property for use in any Permitted Business.

"*Attributable Debt*" in respect of a sale and leaseback transaction occurring on or after the date of this Indenture means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended); *provided*, *however*, if such sale and leaseback transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of Capitalized Lease Obligation.

"*Authenticating Agent*" has the meaning set forth in *Section 2.02*.

"*Bankruptcy Code*" means the Bankruptcy Reform Act of 1978, as amended, and codified as 11 U.S.C. §§101 *et seq.*

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "*Beneficially Owns*" and "*Beneficially Owned*" have meanings correlative to the foregoing.

"*Board of Directors*" means, as to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"*Business Day*" means a day that is not a Legal Holiday.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person; and

(3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above.

"*Capitalized Lease Obligation*" at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Cash Equivalents*" means:

(1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;

(2) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either *S&P* or Moody's;

(3) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's;

(4) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined net capital and surplus of not less than $250.0 million;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) above entered into with any bank meeting the qualifications specified in clause (4) above; and

(6) investments in money market funds which invest exclusively in assets satisfying the requirements of clauses (1) through (5) above.

"*Cash Management Obligations*" means, with respect to any Person, all obligations (including fees, expenses and overdrafts and related liabilities) of such Person to any other Person that arise from credit cards, stored value cards, credit card processing services, debit cards, purchase cards (including so called "procurement cards" or "P-cards"), treasury, depositary or cash management services, including in connection with any automated clearing house transfers of funds, or any similar transactions.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) any direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or substantially all of the assets of the Company to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "*Group*");

(2) the approval by the holders of Capital Stock of the Company of any plan or proposal for the liquidation, winding up or dissolution of the Company;

(3) any Person or Group is or becomes the Beneficial Owner, directly or indirectly, in the aggregate of more than 35% of the total voting power of the Voting Stock of the Company; or

(4) individuals who on the Issue Date constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved pursuant to a vote of a majority of the directors then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office.

"*Change of Control Offer*" has the meaning set forth in *Section 4.10*.

"*Change of Control Payment Date*" has the meaning set forth in *Section 4.10*.

"*Clearstream*" means Clearstream Banking, societe anonyme.

"*Collateral*" means all of the assets of the Company or any Guarantor, whether now owned or hereafter existing and whether real, personal or mixed, which secures the Indenture Obligations.

"*Collateral Agent*" means Wilmington Trust FSB, as collateral agent and any successor under this Indenture.

"Collateral Agreements" means, collectively, the Intercreditor Agreement, the Security Agreement and each Mortgage, in each case, as the same may be in force from time to time.

"Commodity Agreement" means any hedging agreement or other similar agreement or arrangement designed to protect the Company or any Restricted Subsidiary of the Company against fluctuations in commodity prices.

"Common Stock" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"*Company*" has the meaning set forth in the preamble to this Indenture.

"*Consolidated EBITDA*" means, with respect to any Person, for any period, the excess of:

(x) the sum (without duplication) of:

(1) Consolidated Net Income; and

(2) to the extent Consolidated Net Income has been reduced thereby:

(a) all income taxes of such Person and its Restricted Subsidiaries paid or accrued in accordance with GAAP for such period;

(b) Consolidated Interest Expense, and interest attributable to write-offs of deferred financing costs;

(c) Consolidated Non-cash Charges less any non-cash items increasing Consolidated Net Income for such period; and

(d) all consolidated non-recurring losses for such period; over

(y) to the extent Consolidated Net Income has been increased thereby, all consolidated non-recurring gains for such period,

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in accordance with GAAP.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to any Person, the ratio of Consolidated EBITDA of such Person during the four consecutive full fiscal quarters (the "*Four Quarter Period*") most recently ending on or prior to the date of the transaction or event giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio for which financial statements are available (the "*Transaction Date*") to Consolidated Fixed Charges of such Person for the Four Quarter Period.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof) occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period;

(2) regardless of whether any revolving credit facility was actually fully drawn during such period, the Consolidated Fixed Charges relating to such revolving credit facility shall be calculated as if loans had been outstanding thereunder in an aggregate principal amount equal to the revolving commitments thereunder, as increased (if applicable), for such entire period (regardless of any limitation imposed thereunder in the making of any such loans, including as a result of any "borrowing base" limitation); and

(3) any Asset Sale or other disposition or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of any such Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date), as if such Asset Sale or other disposition or Asset Acquisition (including the incurrence, assumption or liability for any such Indebtedness or Acquired Indebtedness

and also including any Consolidated EBITDA associated with such Asset Acquisition) occurred on the first day of the Four Quarter Period; *provided* that the Consolidated EBITDA of any Person acquired shall be included only to the extent includible pursuant to the definition of "Consolidated Net Income." If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such guaranteed Indebtedness.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio":

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date (including Indebtedness actually incurred on the Transaction Date) and which will continue to be so determined thereafter shall be deemed to have accrued at the average rate per annum on such Indebtedness during the period of four fiscal quarters (or if less, such period of time that it was outstanding and) ending on or most recently ended prior to the Transaction Date; *provided* that interest on any Indebtedness actually incurred on the Transaction Date or not outstanding on the last date of such four fiscal quarter period, shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date; and

(2) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Swap Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"*Consolidated Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense (excluding amortization or write-off of deferred financing costs); *plus*

(2) the product of (x) the amount of all dividend payments on any Disqualified Capital Stock of such Person and any series of Preferred Stock of such Person (other than dividends paid in Qualified Capital Stock) paid, accrued or scheduled to be paid or accrued during such period times (y) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated federal, state and local tax rate of such Person, expressed as a decimal.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the aggregate of the interest expense of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, as determined in accordance with GAAP, and including, without duplication, (a) all amortization or accretion of original issue discount; (b) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period; and (c) net cash costs under all Interest Swap Obligations (including amortization of fees).

"*Consolidated Net Income*" means, with respect to any Person, for any period, the aggregate net income (or loss) of such Person and its Restricted Subsidiaries for such period on a consolidated basis, determined in accordance with GAAP; *provided*, *however*, that there shall be excluded therefrom:

(1) after-tax gains and losses from Asset Sales or abandonments or reserves relating thereto;

(2) after-tax items classified as extraordinary gains or losses;

(3) the net income (but not loss) of any Restricted Subsidiary of the referent Person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is restricted by a contract, operation of law or otherwise;

(4) the net income of any Person, other than the referent Person or a Restricted Subsidiary of the referent Person, except to the extent of cash dividends or distributions paid to the referent Person or to a Wholly Owned Subsidiary of the referent Person by such Person;

(5) any restoration to income of any material contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(6) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(7) all gains and losses realized on or because of the purchase or other acquisition by such Person or any of its Restricted Subsidiaries of any securities of such Person or any of its Restricted Subsidiaries;

(8) the cumulative effect of a change in accounting principles;

(9) interest expense attributable to dividends on Qualified Capital Stock pursuant to Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity;"

(10) non-cash charges resulting from the impairment of intangible assets; and

(11) in the case of a successor to the referent Person by consolidation or merger or as a transferee of the referent Person's assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets.

"*Consolidated Net Worth*" of any Person means the consolidated stockholders' equity of the Person, determined on a consolidated basis in accordance with GAAP, less (without duplication) amounts attributable to Disqualified Capital Stock of such Person.

"*Consolidated Non-cash Charges*" means, with respect to any Person, for any period, the aggregate depreciation, amortization and other non-cash items and expenses of such Person and its Restricted Subsidiaries to the extent they reduce Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charges constituting an extraordinary item or loss or any such charge which requires an accrual of or a reserve for cash charges for any future period).

"*Corporate Trust Office*" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date of this Indenture, located at Wilmington Trust FSB, 50 South Sixth Street, Suite 1290, Minneapolis, MN 55402, Attn: Kratos Administrator.

"*Covenant Defeasance*" has the meaning set forth in *Section 8.01*.

"*Credit Agreement*" means the Credit and Security Agreement dated as of the Issue Date, by and among the Company, the lenders party thereto (together with their successors and assigns, the "*Lenders*") and KeyBank National Association, as administrative agent (in such capacity, together with its successors and assigns, the "*Administrative Agent*"), setting forth the terms and conditions of the senior credit facility, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreements may be amended, restated, supplemented or otherwise modified from time to time, including pursuant to one or more agreements evidencing revolving credit facilities, commercial paper facilities, term loan facilities, receivables financings and/or notes or bond financings, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time that extend the maturity of, refinance, replace or otherwise restructure

(including increasing the amount of available borrowings thereunder (*provided* that such increase in borrowings is permitted to be incurred pursuant to (a) clause (2) of the definition of the term "Permitted Indebtedness" and/or (b) (i) the Consolidated Fixed Charge Coverage Ratio test under *Section 4.08* and/or (ii) clause (15) of the definition of the term "Permitted Indebtedness" that, in the case of each of such clauses (i) and (ii), is secured by a Permitted Lien described in clause (22) of the definition thereof that is subject to the Intercreditor Agreement) or adding Subsidiaries of the Company as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"*Credit Facility Priority Collateral*" consists of all of the Company's and each Guarantors' existing and future (i) accounts, (ii) receivables, (iii) inventory, (iv) deposit accounts and all cash, cash equivalents, checks and other instruments on deposit therein or credited thereto, (iv) securities accounts and all investment property, cash and cash equivalents, (v) lock boxes and all cash, checks and other instruments on deposit therein or credited thereto, (vi) general intangibles, (vii) contract rights, instruments, documents, chattel paper (whether tangible or electronic), drafts and acceptances, and all other forms of obligations owing to the Company or such Guarantor, and (viii) all supporting obligations (other than with respect to supporting obligations securing or guaranteeing licenses of intellectual property granted to the Company and its Subsidiaries); together with all of the Company's or such Guarantor's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by the Company or any Guarantor or in which it has an interest), computer programs, tapes, disks and documents and all proceeds and products of the foregoing in whatever form, including: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, and tort claim proceeds. Notwithstanding anything to the contrary in the immediately preceding sentence, (i) trademarks, licenses, trade names, patents, trade secrets, domain names, and copyrights of the Company or any Guarantor, and general intangibles necessary for the operation of the equipment, machinery and motor vehicles, including warranties and operational manuals and similar items, (ii) any Capital Stock of any Subsidiary of the Company or any Guarantor (other than a Discontinued Subsidiary), (iii) any real property, equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings and fixtures, parts and accessories of the equipment, and all replacements and substitutions therefor or accessions thereto owned by the Company or any Guarantor, (iv) supporting obligations securing or guaranteeing licenses of intellectual property granted to the Company and its Subsidiaries, and (v) the identifiable proceeds of each of the foregoing (including insurance proceeds, eminent domain proceeds and condemnation proceeds for loss of the foregoing) shall not constitute Credit Facility Priority Collateral.

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any Restricted Subsidiary of the Company against fluctuations in currency values.

"*Custodian*" means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Code.

"*Default*" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Depository*" means the Depository Trust Company, its nominees and successors.

"*Discontinued Subsidiaries*" means Restricted Subsidiaries of the Company that have been classified as "discontinued operations" in Note 6 to the Company's unaudited condensed consolidated statements of cash flows for the quarter ended March 28, 2010.

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event that would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except in each case, upon the occurrence of a Change of Control) on or prior to the first anniversary of the final maturity date of the Notes for cash or is convertible into or exchangeable for debt securities of the Company or its Subsidiaries at any time prior to such anniversary.

"*Domestic Restricted Subsidiary*" means, with respect to any Person, a Domestic Subsidiary of such Person that is a Restricted Subsidiary of such Person.

"*Domestic Subsidiary*" means, with respect to any Person, a Subsidiary of such Person that is not a Foreign Subsidiary of such Person.

"*Equity Offering*" means an underwritten public offering of Common Stock of the Company or any holding company of the Company pursuant to a registration statement filed with the SEC (other than on Form S-8) or any private placement of Common Stock of the Company or any holding company of the Company to any Person other than issuances upon exercise of options by employees of any holding company, the Company or any of the Restricted Subsidiaries.

"*Euroclear*" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"*Event of Default*" has the meaning set forth in *Section 6.01*.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"Exchange Notes" has the meaning set forth in the preamble to this Indenture and means the Notes, if any, issued under *Section 2.02* pursuant to the Registration Rights Agreement.

"*Exchange Offer*" means an exchange offer that may be made by the Company, pursuant to the Registration Rights Agreement, to exchange for any and of all the Initial Notes a like aggregate principal amount of Exchange Notes having substantially identical terms to the Initial Notes registered under the Securities Act.

"*Excluded Assets*" means:

(1) vehicles and other items covered by certificates of title or ownership to the extent that a security interest cannot be perfected solely by filing a UCC-1 financing statement (or similar instrument);

(2) leasehold interests in real property with respect to which the Company or any Guarantor is a tenant or subtenant;

(3) any asset or property right of any nature if the grant of such security interest shall constitute or result in (A) the abandonment, invalidation or unenforceability of such asset or property right or the loss of use of such asset or property right or (B) a breach, termination or default under any lease, license, contract or agreement, other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity, to which the Company or Guarantor is party;

(4) any asset or property right of any nature to the extent that any applicable law or regulation prohibits the creation of a security interest thereon (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial

Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity);

(5) any applications for trademarks or service marks filed in the United States Patent and Trademark Office (the "*PTO*") pursuant to 15 U.S.C. §1051 Section 1(b) unless and until evidence of use of the mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. §1051 Section 1(c) or Section 1(d);

(6) the voting Capital Stock of any Foreign Subsidiary in excess of 65% of all of the outstanding voting Capital Stock of such Foreign Subsidiary;

(7) property and assets owned by the Company or any Guarantor that are the subject of Permitted Liens described in clause (6) or (7) of the definition thereof for so long as such Permitted Liens are in effect and the Indebtedness secured thereby otherwise prohibits any other Liens thereon;

(8) any Capital Stock or other securities of the Company's Subsidiaries to the extent that the pledge of such securities results in the Company being required to file separate financial statements of such Subsidiary with the SEC, but only to the extent necessary for the Company not to be subject to such requirement and only for so long as such requirement is in existence; *provided* that neither the Company nor any of its Subsidiaries shall take any action in the form of a reorganization, merger or other restructuring a principal purpose of which is to provide for the release of the Lien on any securities pursuant to this clause;

(9) any Capital Stock of any Discontinued Subsidiary; and

(10) (i) deposit and securities accounts the balance of which consists exclusively of (a) withheld income Taxes and federal, state or local employment taxes in such amounts as are required to be paid to the Internal Revenue Service or state or local government agencies within the following two months with respect to employees of the Company or any of the Guarantors, and (b) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of the Company or any Guarantor, and (ii) all segregated deposit accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, and trust accounts;

provided, that notwithstanding anything to the contrary in this definition, no asset described in clause (1) through (10) above (other than clause (8)) shall constitute an "Excluded Asset" if such asset is subject to a Permitted Lien described in clause (18) or (22) of the definition thereof.

"*Fair Market Value*" means, with respect to any asset or property, the price which could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution of the Board of Directors of the Company delivered to the Trustee; *provided*, that with respect to any price less than $5.0 million only the good faith determination by the Company's senior management shall be required.

"*Foreign Restricted Subsidiary*" means any Restricted Subsidiary that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"*Foreign Subsidiary*" means, with respect to any Person, any Subsidiary of such Person that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"*GAAP*" means accounting principles generally accepted in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting

Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect as of the Issue Date.

"*Global Notes*" has the meaning set forth in *Section 2.01*.

"*Guarantee*" has the meaning set forth in *Section 10.01*.

"*Guarantor*" means (1) each of the Company's Domestic Restricted Subsidiaries existing on the Issue Date and (2) each of the Company's Domestic Restricted Subsidiaries that in the future executes a supplemental indenture in which such Domestic Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Guarantor; *provided* that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor when its respective Guarantee is released in accordance with the terms of this Indenture.

"*Holder*" means the Person in whose name a Note is registered on the registrar's books.

"*IAI Global Notes*" has the meaning set forth in *Section 2.01*.

"*incur*" has the meaning set forth in *Section 4.08*.

"*Indebtedness*" means with respect to any Person, without duplication:

(1) all Obligations of such Person for borrowed money;

(2) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and any deferred purchase price represented by earn outs consistent with the Company's past practice);

(5) all Obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction, whether or not then due;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all Obligations of any other Person of the type referred to in clauses (1) through (6) which are secured by any Lien on any property or asset of such Person, the amount of any such Obligation being deemed to be the lesser of the Fair Market Value of the property or asset securing such Obligation or the amount of such Obligation;

(8) all Interest Swap Obligations and all Obligations under Currency Agreements of such Person; and

(9) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market

Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock.

"*Indemnified Party*" has the meaning set forth in *Section 7.07*.

"*Indenture*" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof.

"*Indenture Documents*" means, collectively, this Indenture, the Notes, the Guarantees, and the Collateral Agreements.

"*Indenture Obligations*" means all Obligations in respect of the Notes or arising under this Indenture Documents. Indenture Obligations shall include all interest accrued (or which would, absent the commencement of an insolvency or liquidation proceeding, accrue) after the commencement of an insolvency or liquidation proceeding in accordance with and at the rate specified in the relevant Indenture Document whether or not the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

"*Independent Financial Advisor*" means a nationally-recognized accounting, appraisal or investment banking firm: (1) that does not, and whose directors, officers and employees or Affiliates do not, have a direct or indirect financial interest in the Company; and (2) that, in the judgment of the Board of Directors of the Company, is otherwise independent and qualified to perform the task for which it is to be engaged.

"*Initial Notes*" has the meaning set forth in the preamble to this Indenture.

"*Initial Purchasers*" means Jefferies & Company, Inc., B. Riley & Co., LLC, Imperial Capital, LLC, KeyBanc Capital Markets Inc., and Noble International Investments, Inc.

"*Institutional Accredited Investor*" means an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"*Intercreditor Agreement*" means the Intercreditor Agreement among the Administrative Agent, the Collateral Agent, the Company and the Guarantors, dated as of the Issue Date, as the same may be amended, supplemented or modified from time to time.

"*Interest Payment Date*" means the stated maturity of an installment of interest on the Notes.

"*Interest Swap Obligations*" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"*Investment*" in any Person means any direct or indirect advance, loan (other than advances or extensions of trade credit to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition for value of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted

Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and *Section 4.09*:

(1) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Company's "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

"*Issue Date*" means the date of original issuance of the Notes.

"*Legal Defeasance*" has the meaning set forth in *Section 8.01*.

"*Legal Holiday*" has the meaning set forth in *Section 11.07*.

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

"*Maturity Date*" means June 1, 2017.

"*Moody's*" means Moody's Investor Services, Inc.

"*Mortgages*" means the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents securing Liens on the Premises as well as the other Collateral secured by and described in the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest) received by the Company or any of its Restricted Subsidiaries from such Asset Sale net of:

(1) reasonable out-of-pocket costs, commissions, expenses and fees incurred by the Company or such Restricted Subsidiary, as the case may be, in connection with such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);

(2) all taxes and other costs and expenses actually paid or estimated in good faith by the Company or such Restricted Subsidiary, as the case may be, to be payable in cash in connection with such Asset Sale;

(3) repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale and is required to be repaid in connection with such Asset Sale; and

(4) appropriate amounts to be provided by the Company or such Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities

related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale *provided* , *however*, that if, after the payment of all taxes with respect to such Asset Sale, the amount of estimated taxes, if any, pursuant to clause (2) above exceeded the tax amount actually paid in cash in respect of such Asset Sale, the aggregate amount of such excess shall, at such time, constitute Net Cash Proceeds.

"*Net Proceeds Offer*" shall have the meaning set forth in *Section 4.11*.

"*Net Proceeds Offer Amount*" shall have the meaning set forth in *Section 4.11*.

"*Net Proceeds Offer Payment Date*" shall have the meaning set forth in *Section 4.11*.

"*Net Proceeds Offer Trigger Date*" shall have the meaning set forth in *Section 4.11*.

"*Non-U.S. Person*" means a Person who is not a U.S. person, as defined in Regulation S.

"*Notes*" shall have the meaning set forth in the preamble to this Indenture and means the Initial Notes, the Additional Notes, if any, and the Exchange Notes treated as single class of securities, as amended or supplemental from time to time in accordance with the terms hereof, that are issued pursuant to this Indenture.

"*Notes Priority Collateral*" means all existing and future property and assets owned by the Company and the Guarantors (other than Excluded Assets and the Credit Facility Priority Collateral). The Notes Priority Collateral shall include, but will not be limited to, the Company's and the Guarantors' real property, equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings and fixtures, parts and accessories of the equipment, and all replacements and substitutions therefor or accessions thereto, trademarks, licenses, trade names, patents, trade secrets, domain names and copyrights, and general intangibles necessary for the operation of the equipment, machinery and motor vehicles, including warranties and operational manuals and similar items, Capital Stock of each Subsidiary (other than any Discontinued Subsidiary) owned by the Company or any such Guarantor, supporting obligations securing or guaranteeing licenses of intellectual property granted to the Company and its Subsidiaries, and all identifiable proceeds of each of the foregoing (including insurance proceeds, eminent domain proceeds and condemnation proceeds for loss of the foregoing).

"*Obligations*" means all obligations for principal, premium, interest, Additional Interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering*" means the offering of the Initial Notes hereunder.

"*Officer*" means the Chief Executive Officer, the President, the Chief Financial Officer or any Vice President of the Company.

"*Officers' Certificate*" means a certificate signed by two Officers of the Company, at least one of whom shall be the principal financial officer of the Company, and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion of counsel who shall be reasonably acceptable to the Trustee.

"*Paying Agent*" has the meaning set forth in *Section 2.03*.

"Permitted Business" means any business that is the same as or similar, reasonably related, complementary or incidental to the business in which the Company and its Restricted Subsidiaries are engaged on the Issue Date.

"*Permitted Indebtedness*" means, without duplication, each of the following:

(1) Indebtedness under the Notes issued in the Offering or in the Exchange Offer in an aggregate outstanding principal amount not to exceed $225.0 million and the related Guarantees;

(2) Indebtedness incurred pursuant to the Credit Agreement in an aggregate principal amount at any time outstanding not to exceed the excess of (a) $25.0 million over (b) the aggregate amount of all Net Cash Proceeds of Asset Sales applied to permanently repay the principal amount of any such Indebtedness pursuant to *Section 4.11(3)(a)* ;

(3) other Indebtedness of the Company and its Restricted Subsidiaries outstanding on the Issue Date;

(4) Interest Swap Obligations of the Company or any Restricted Subsidiary of the Company covering Indebtedness of the Company or such Restricted Subsidiary; *provided*, *however*, that such Interest Swap Obligations are entered into for the purpose of fixing or hedging interest rates with respect to any fixed or variable rate Indebtedness that is permitted by this Indenture to be outstanding to the extent that the notional amount of any such Interest Swap Obligation does not exceed the principal amount of Indebtedness to which such Interest Swap Obligation relates;

(5) Indebtedness under Currency Agreements; *provided* that in the case of Currency Agreements which relate to Indebtedness of the Company or any Restricted Subsidiary of the Company, such Currency Agreements do not increase the Indebtedness of the Company or such Restricted Subsidiary outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) intercompany Indebtedness of the Company or any Restricted Subsidiary for so long as such Indebtedness is held by the Company or any Restricted Subsidiary; *provided*, that (a) if owing by the Company or any Guarantor, such Indebtedness shall be unsecured and contractually subordinated in all respects (other than with respect to the maturity thereof) to the Obligations of the Company under the Notes and the other Indenture Documents or such Guarantor under its Guarantee and the other Indenture Documents, as the case may be, and (b) if as of any date any Person other than the Company or a Restricted Subsidiary owns or holds any such Indebtedness or holds a Lien in respect of such Indebtedness (other than Permitted Liens of the type described in clause (17), (18) or (20) of the definition thereof), such date shall be deemed the incurrence of Indebtedness not permitted under this clause (6) by the issuer of such Indebtedness;

(7) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within five Business Days of such incurrence;

(8) Indebtedness of the Company or any of its Restricted Subsidiaries in respect of or represented by letters of credit issued for the account of the Company or such Restricted Subsidiary, as the case may be, that are issued in support of, or to provide security for, (a) trade obligations or (b) any other liabilities (including workers' compensation claims and payment obligations in connection with self-insurance or similar requirements but excluding any liabilities in respect of borrowed money or any other Indebtedness), in each case, in the ordinary course of business;

(9) obligations of the Company or any of its Restricted Subsidiaries in respect of performance, bid and surety bonds and completion guarantees provided by the Company or any such Restricted Subsidiary in the ordinary course of business;

(10) Indebtedness represented by Capitalized Lease Obligations and Purchase Money Indebtedness (including Capitalized Lease Obligations or Purchase Money Indebtedness arising in connection with a sale and leaseback transaction) of the Company and its Restricted Subsidiaries incurred in the ordinary

course of business (including Refinancings thereof that do not result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (*plus* the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and *plus* the amount of reasonable expenses incurred by the Company in connection with such Refinancing)) not to exceed $10.0 million at any time outstanding;

(11) Refinancing Indebtedness;

(12) Indebtedness represented by guarantees by the Company or a Restricted Subsidiary of Indebtedness incurred by the Company or a Restricted Subsidiary so long as the incurrence of such Indebtedness by the Company or any such Restricted Subsidiary is otherwise permitted by the terms of this Indenture;

(13) Indebtedness arising from agreements of the Company or a Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company and the Subsidiary in connection with such disposition;

(14) Indebtedness under Commodity Agreements; *provided* that such Commodity Agreements are entered into in the ordinary course of the Company's or its Restricted Subsidiaries' businesses, not for speculative purposes and otherwise in compliance with this Indenture; and

(15) additional Indebtedness of the Company and its Restricted Subsidiaries in an aggregate principal amount not to exceed $15.0 million at any time outstanding.

For purposes of determining compliance with *Section 4.08*, (a) the outstanding principal amount of any item of Indebtedness shall be counted only once and (b) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (15) above or is entitled to be incurred pursuant to the Consolidated Fixed Charge Coverage Ratio provisions of such covenant, the Company will be permitted, in its sole discretion, to classify (or later reclassify) such item of Indebtedness in any manner that complies with such covenant; *provided*, that Permitted Indebtedness under the Credit Agreement outstanding on the Issue Date will initially be deemed to have been incurred on such date under clause (2) above. Accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of *Section 4.08*.

"*Permitted Investments*" means:

(1) Investments by the Company or any Restricted Subsidiary of the Company in any Person that is or will become immediately after such Investment both a Wholly Owned Subsidiary and a Guarantor or that will merge or consolidate with or into the Company or a Guarantor, or that transfers or conveys all or substantially all of its assets to the Company or a Guarantor;

(2) Investments in the Company by any Restricted Subsidiary of the Company;

(3) Investments in any Foreign Restricted Subsidiary by any other Foreign Restricted Subsidiary;

(4) Investments in cash and Cash Equivalents;

(5) Commodity Agreements, Currency Agreements and Interest Swap Obligations entered into in the ordinary course of the Company's or its Restricted Subsidiaries' businesses, not for speculative purposes and otherwise in compliance with this Indenture;

(6) Investments in the Notes (including Additional Notes, if any);

(7) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers in exchange for claims against such trade creditors or customers;

(8) Investments made by the Company or its Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with *Section 4.11*;

(9) Investments in existence on the Issue Date;

(10) loans and advances, including advances for travel and moving expenses, to employees, officers and directors of the Company and its Restricted Subsidiaries in the ordinary course of business for bona fide business purposes not in excess of $1.0 million at any one time outstanding;

(11) advances and extensions of trade credit to suppliers and customers in the ordinary course of business that are recorded as accounts receivable; and

(12) additional Investments in an aggregate amount not to exceed $15.0 million at any time outstanding.

"*Permitted Liens*" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent or (b) contested in good faith by appropriate proceedings and as to which the Company or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law or pursuant to customary reservations or retentions of title incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) any judgment Lien not giving rise to an Event of Default;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(6) any interest or title of a lessor under any Capitalized Lease Obligation permitted pursuant to clause (10) of the definition of "Permitted Indebtedness;" *provided* that such Liens do not extend to any property or assets which is not leased property subject to such Capitalized Lease Obligation;

(7) Liens securing Purchase Money Indebtedness permitted pursuant to clause (10) of the definition of "Permitted Indebtedness;" *provided*, *however*, that (a) the Indebtedness shall not exceed the cost of the property or assets acquired, together, in the case of real property, with the cost of the construction thereof and improvements thereto, and shall not be secured by a Lien on any property or

assets of the Company or any Restricted Subsidiary of the Company other than such property or assets so acquired or constructed and improvements thereto and (b) the Lien securing such Indebtedness shall be created within 180 days of such acquisition or construction or, in the case of a refinancing of any Purchase Money Indebtedness, within 180 days of such refinancing;

(8) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(9) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(10) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;

(11) Liens securing Interest Swap Obligations which Interest Swap Obligations relate to Indebtedness that is otherwise permitted under this Indenture;

(12) Liens securing Indebtedness under Currency Agreements and Commodity Agreements that are permitted under this Indenture;

(13) Liens securing Acquired Indebtedness incurred in accordance with *Section 4.08*; *provided* that:

(a) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company; and

(b) such Liens do not extend to or cover any property or assets of the Company or of any of its Restricted Subsidiaries other than the property or assets that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Company or a Restricted Subsidiary of the Company and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company;

(14) Liens arising from precautionary UCC filings regarding operating leases or consigned products or consigned merchandise to the extent such Liens only relate to the assets, property, products or merchandise that are the subject of such lease or consignment, as the case may be;

(15) any interest or title of a lessor or sublessor under any operating lease;

(16) Liens existing as of the Issue Date and securing Permitted Indebtedness described in clause (3) of the definition thereof to the extent and in the manner such Liens are in effect on the Issue Date;

(17) Liens securing the Notes (including any Additional Notes) and all other monetary obligations under this Indenture, the Guarantees and the other Indenture Documents;

(18) Liens to secure Permitted Indebtedness described in clause (2) of the definition thereof; *provided*, that such Liens are subject to the Intercreditor Agreement;

(19) Liens securing Refinancing Indebtedness which is incurred to Refinance any Indebtedness which has been secured by a Permitted Lien and which has been incurred in accordance with *Section 4.08* provisions of this Indenture; provided, however, that such Liens: (i) are no less favorable to the Holders and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and (ii) do not extend to or cover any property or

assets of the Company or any of its Restricted Subsidiaries not securing the Indebtedness so Refinanced;

(20) Liens securing Indebtedness of Foreign Restricted Subsidiaries to the extent such Indebtedness is permitted under the covenant described above under *Section 4.08*, *provided*, that no asset of the Company or any Guarantor shall be subject to any such Lien;

(21) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to Obligations in an aggregate principal amount that does not exceed $5.0 million at any one time outstanding and that (A) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (B) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of business by the Company or such Restricted Subsidiary;

(22) Liens securing Indebtedness incurred pursuant to (a) the Consolidated Fixed Charge Coverage Ratio test under *Section 4.08* or (b) clause (15) of the definition of the term "Permitted Indebtedness;" *provided*, that the aggregate principal amount of all such Indebtedness outstanding at the time of the most recent incurrence of any such Indebtedness shall not exceed the greater of (i) $10.0 million and (ii) the product of (x) 125% and (y) Pro Forma Consolidated EBITDA of the Company during the four consecutive full fiscal quarters most recently ending on or prior to the date of such incurrence for which its financial statements are available;

(23) Liens securing Credit Facility Cash Management Obligations; *provided*, that such Liens are subject to the Intercreditor Agreement; and

(24) Liens in favor of the Company or any of its Restricted Subsidiaries.

"*Person*" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*Physical Notes*" has the meaning set forth in *Section 2.14*.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"*Premises*" has the meaning set forth in *Section 4.17*.

"*principal*" of any Indebtedness (including the Notes) means the principal amount of such Indebtedness plus the premium, if any, on such Indebtedness.

"*Private Placement Legend*" means the legend set forth on the Initial Notes in the form set forth in *Exhibit A*.

"*Pro Forma Consolidated EBITDA*" means, with respect to any Person, the Consolidated EBITDA of such Person during the four consecutive full fiscal quarters (the "*Four Quarter Period*") most recently ending on or prior to the date of the transaction or event giving rise to the need to calculate Pro Forma Consolidated EBITDA for which financial statements are available (the "*Transaction Date*") of such Person for the Four Quarter Period; *provided, however* that such Consolidated EBITDA shall be calculated after giving effect on a pro forma basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to

the Transaction Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period; and

(2) any Asset Sale or other disposition or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of any such Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date), as if such Asset Sale or other disposition or Asset Acquisition (including the incurrence, assumption or liability for any such Indebtedness or Acquired Indebtedness and also including any Consolidated EBITDA associated with such Asset Acquisition) occurred on the first day of the Four Quarter Period; *provided* that the Consolidated EBITDA of any Person acquired shall be included only to the extent includible pursuant to the definition of "Consolidated Net Income." If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such guaranteed Indebtedness.

"*Public Equity Offering*" means an underwritten public offering of Common Stock of the Company or any holding company of the Company pursuant to a registration statement filed with the SEC (other than on Form S-8).

"*Purchase Money Indebtedness*" means Indebtedness of the Company and its Restricted Subsidiaries incurred (including pursuant to a sale and leaseback transaction) for the purpose of financing all or any part of the purchase price, or the cost of installation, construction or improvement, of property or equipment, *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*QIB Global Notes*" has the meaning set forth in *Section 2.01*.

"*Qualified Capital Stock*" means any Capital Stock that is not Disqualified Capital Stock.

"*Record Date*" means any of the Record Dates specified in the Notes, whether or not a Legal Holiday.

"*Redemption Price*" means, when used with respect to any Note to be redeemed, the price fixed for redemption pursuant to this Indenture and the Notes.

"*Redemption Date*" has the meaning set forth in *Section 3.01(a)*.

"*Reference Date*" has the meaning set forth in *Section 4.09*.

"*Refinance*" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"*Refinancing Indebtedness*" means any Refinancing by the Company or any Restricted Subsidiary of the Company of Indebtedness incurred in accordance with *Section 4.08* (other than pursuant to Permitted Indebtedness) or clauses (1), (3) or (11) of the definition of Permitted Indebtedness, in each case that does not:

(1) have an aggregate principal amount (or, if such Indebtedness is issued with original issue discount, an aggregate offering price) greater than the sum of (x) the aggregate principal amount of the Indebtedness being Refinanced (or, if such Indebtedness being Refinanced is issued with original issue

discount, the aggregate accreted value) as of the date of such proposed Refinancing *plus* (y) the amount of fees, expenses, premium, defeasance costs and accrued but unpaid interest relating to the Refinancing of such Indebtedness being Refinanced;

(2) create Indebtedness with: (a) a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; or (b) a final maturity earlier than the final maturity of the Indebtedness being Refinanced;

(3) affect the security, if any, for such Refinancing Indebtedness (except to the extent that less security is granted to holders of such Refinancing Indebtedness);

(4) if such Indebtedness being Refinanced is subordinate or junior by its terms to the Notes, then such Refinancing Indebtedness shall be subordinate by its terms to the Notes at least to the same extent and in the same manner as the Indebtedness being Refinanced; and

(5) shall not include (a) Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor that refinances Indebtedness of the Company or a Restricted Subsidiary that is a Guarantor, or (b) Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

"*Register*" has the meaning set forth in *Section 2.03*.

"*Registrar*" has the meaning set forth in *Section 2.03*.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the Issue Date, between the Company, the Guarantors and the Initial Purchasers, as the same may be amended or modified from time to time in accordance with the terms thereof.

"*Regulation S*" means Regulation S under the Securities Act.

"*Regulation S Global Note*" has the meaning set forth in *Section 2.01*.

"*Restricted Payment*" has the meaning set forth in *Section 4.09*.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Security*" has the meaning assigned to such term in Rule 144(a)(3) under the Securities Act; *provided* that the Trustee shall be entitled to conclusively rely on an Opinion of Counsel with respect to whether any Note constitutes a Restricted Security.

"*Restricted Subsidiary*" of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary.

"*Rule 144A*" means Rule 144A under the Securities Act.

"*S&P*" means Standard & Poor's Ratings Group.

"*SEC*" means the Securities and Exchange Commission.

"*Secured Parties*" has the meaning set forth in the Security Agreement.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Security Agreement*" means the Security Agreement, dated as of the Issue Date, made by the Company and the Guarantors in favor of the Collateral Agent, as amended or supplemented from time to time in accordance with its terms.

"*Significant Subsidiary*" with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"*Subsidiary*" with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"*Surviving Entity*" shall have the meaning set forth in *Section 5.01*.

"*TIA*" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as amended, as in effect on the date of this Indenture.

"*Treasury Rate*" means, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) (or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity) that has become publicly available at least two Business Days prior to such Redemption Date (or, if such Statistical Release (or any successor release) is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to June 1, 2014; *provided*, *however*, that if the period from such Redemption Date to June 1, 2014 is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such Redemption Date to June 1, 2014 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"*Trust Officer*" when used with respect to the Trustee or the Collateral Agent, means any officer or authorized representative of the Trustee or the Collateral Agent, as applicable, within the corporate trust office of the Trustee or the Collateral Agent, as applicable, with direct responsibility for the administration of this Indenture and/or the Collateral Agreements and also, with respect to a particular matter, any other officer of the Trustee or the Collateral Agent, as applicable, to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject.

"*Trustee*" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and thereafter means such successor.

"*Unrestricted Subsidiary*" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated, *provided* that:

(1) the Company certifies to the Trustee that such designation complies with *Section 4.09*; and

(2) each Subsidiary to be so designated and each of its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become

directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Company or any of its Restricted Subsidiaries.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to such designation, the Company is able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with *Section 4.08*; and

(2) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Government Obligations*" means direct obligations of, and obligations guaranteed by, the United States of America for the payment of which the full faith and credit of the United States of America is pledged.

"*U.S. Legal Tender*" means such coin or currency of the United States which, as at the time of payment, shall be immediately available legal tender for the payment of public and private debts.

"*U.S. Person*" means a Person who is a U.S. person as defined in Regulation S.

"*Voting Stock*" means, with respect to any Person, securities of any class or classes of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (1) the then outstanding aggregate principal amount of such Indebtedness into (2) the sum of the total of the products obtained by multiplying:

(A) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by

(B) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"*Wholly-Owned Subsidiary*" of any Person means any Restricted Subsidiary of such Person of which all the outstanding Capital Stock (other than in the case of a Foreign Restricted Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Subsidiary of such Person.

SECTION 1.02. *Incorporation by Reference of Trust Indenture Act.*

Whenever this Indenture refers to a provision of the TIA, such provision is incorporated by reference in, and made a part of, this Indenture. The following TIA terms used in this Indenture have the following meanings:

"*indenture securities*" means the Notes.

"*indenture security holder*" means a Holder.

"*indenture to be qualified*" means this Indenture.

"*indenture trustee*" or "*institutional trustee*" means the Trustee.

"*obligor*" on the indenture securities means each of the Company or any other obligor on the Notes.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule and not otherwise defined herein have the meanings assigned to them therein.

SECTION 1.03. *Rules of Construction*.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and words in the plural include the singular;

(5) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(6) when the words "includes" or "including" are used herein, they shall be deemed to be followed by the words "without limitation;"

(7) all references to Sections or Articles refer to Sections or Articles of this Indenture unless otherwise indicated; and

(8) unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Indenture shall have such meanings when used in each other Indenture Document.

ARTICLE TWO

THE NOTES

SECTION 2.01. *Form and Dating*.

The Initial Notes and the Additional Notes and the Trustee's certificate of authentication thereon shall be substantially in the form of *Exhibit A* hereto ("*Global Notes*"). The Exchange Notes and the Trustee's certificate of authentication thereon shall be substantially in the form of *Exhibit B* hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or the Depository rule or usage. The Company shall approve the form of the Notes and any notation, legend or endorsement on them. Each Note shall be dated the date of its authentication.

The terms and provisions contained in the forms of the Notes annexed hereto as *Exhibit A* and *Exhibit B* shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Notes originally sold to QIBs shall be issued initially in the form of one or more permanent global notes in registered form, substantially in the form set forth in *Exhibit A* (the "*QIB Global Notes*"), deposited with the Trustee, as custodian for the Depository, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in *Exhibit C*.

Notes offered and sold to Institutional Accredited Investors as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act shall be issued initially in the form of one or more permanent global notes in registered form, substantially in the form set forth in *Exhibit A* (the "*IAI Global*

Notes"), deposited with the Trustee, as custodian for the Depository, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in *Exhibit C*.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more permanent global notes in registered form, substantially in the form set forth in Exhibit A (the "*Regulation S Global Notes*"), deposited with the Trustee, as custodian for the Depository, and registered in the name of the Depository or the nominee of the Depository for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in *Exhibit C*.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by participants through Euroclear or Clearstream.

The aggregate principal amount of any Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository, as hereinafter provided.

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Officer executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.02. *Execution and Authentication; Additional Notes; Aggregate Principal Amount*.

An Officer shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note was an Officer at the time of such execution but no longer holds that office or position at the time the Trustee authenticates the Note, the Note shall nevertheless be valid.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Company may, subject to compliance with *Section 4.08* hereof, issue Additional Notes in an unlimited amount under this Indenture.

The Trustee shall authenticate (i) Initial Notes for original issue in the aggregate principal amount not to exceed $225.0 million, (ii) Exchange Notes from time to time for issue only in an Exchange Offer for a like principal amount of Initial Notes, and (iii) one or more series of Additional Notes in each case upon written orders of the Company in the form of an Officers' Certificate, which Officers' Certificate shall, in the case of any issuance of Additional Notes, certify that such issuance is in compliance with *Section 4.08*. In addition, each Officers' Certificate shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated, whether the Notes are to be Initial Notes, Exchange Notes or Additional Notes. All Notes issued under this Indenture shall vote and consent together on all matters as one class and no series of Notes shall have the right to vote or consent as a separate class on any matter.

The Trustee may appoint an authenticating agent (the "*Authenticating Agent*") reasonably acceptable to the Company to authenticate Notes. Unless otherwise provided in the appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such Authenticating Agent. An

Authenticating Agent has the same rights as an Agent to deal with the Company and Affiliates of the Company.

The Notes shall be issuable in fully registered form only, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

SECTION 2.03. *Registrar and Paying Agent*.

The Company shall maintain an office or agency which shall initially be the office of the Trustee, where (a) Notes may be presented or surrendered for registration of transfer or for exchange (the "*Registrar*") and (b) Notes may be presented or surrendered for payment (the "*Paying Agent*"). The Registrar shall keep a register of the Notes and of their transfer and exchange (the "*Register*"). The Company, upon prior written notice to the Trustee, may have one or more co-Registrars and one or more additional Paying Agents reasonably acceptable to the Trustee. The term "Paying Agent" includes any additional Paying Agent. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which agreement shall incorporate the provisions of the TIA and implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee in writing, in advance, of the name and address of any such Agent. If the Company fails to maintain a Registrar or Paying Agent, or fails to give the foregoing notice, the Trustee shall act as such.

The Company initially appoints the Trustee as Registrar and Paying Agent in connection with the Notes. The Paying Agent or Registrar may resign upon thirty (30) days' written notice to the Company.

SECTION 2.04. *Obligations of Paying Agent*.

The Company shall require each Paying Agent other than the Trustee to agree in writing that such Paying Agent shall hold separate and apart from, and not commingle with any other properties, for the benefit of the Holders or the Trustee, all assets held by the Paying Agent for the payment of principal of, or interest or Additional Interest, if any, on, the Notes (whether such assets have been distributed to it by the Company or any other obligor on the Notes), and the Company and the Paying Agent shall notify the Trustee in writing of any Default by the Company (or any other obligor on the Notes) in making any such payment. The Company at any time may require a Paying Agent to distribute all assets held by it to the Trustee and account for any assets disbursed and the Trustee may at any time during the continuance of any payment Default, upon written request to a Paying Agent, require such Paying Agent to distribute all assets held by it to the Trustee and to account for any assets distributed. Upon receipt by the Trustee of all assets that shall have been delivered by the Company to the Paying Agent, the Paying Agent shall have no further liability for such assets.

SECTION 2.05. *Holder Lists*.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish or cause the Registrar to furnish to the Trustee at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing a list as of such date and in such form as the Trustee may reasonably request of the names and addresses of the Holders, which list may be conclusively relied upon by the Trustee.

SECTION 2.06. *Transfer and Exchange*.

Subject to the provisions of *Section 2.14* and *2.15*, when Notes are presented to the Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the

transfer or make the exchange as requested; *provided, however*, that the Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing and such other documents as the Registrar or co-Registrar may reasonably require. To permit registrations of transfers and exchanges, the Company shall issue and the Trustee shall authenticate Notes at the Registrar's or co-Registrar's request. No service charge shall be made for any registration of transfer or exchange, but the Company or the Trustee may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchanges or transfers pursuant to *Section 2.10*, *3.06*, *4.10*, *4.11* or *9.05*, in which event the Company shall be responsible for the payment of such taxes).

The Registrar or co-Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to *Article Three*, except the unredeemed portion of any Note being redeemed in part.

Any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through the Depository, in accordance with this Indenture and the Applicable Procedures.

SECTION 2.07. *Replacement Notes*.

If a mutilated Note is surrendered to the Trustee or if the Holder of a Note claims in writing that the Note has been lost, destroyed or wrongfully taken, then, in the absence of written notice to the Company upon its request or the Trustee that such Note has been acquired by a protected purchaser, the Company shall issue and the Trustee shall authenticate a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding. Except with respect to mutilated Notes, such Holder must provide an affidavit of lost certificate and an indemnity bond or other indemnity, sufficient in the judgment of both (i) the Trustee to protect the Trustee and (ii) the Company to protect the Company, the Trustee or any Agent from any loss which any of them may suffer if a Note is replaced. The Company may charge such Holder for its reasonable out-of-pocket expenses in replacing a Note, including reasonable fees and expenses of its counsel and of the Trustee and its counsel. In case any mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof. Every replacement Note shall constitute an additional obligation of the Company, entitled to the benefits of this Indenture.

SECTION 2.08. *Outstanding Notes*.

Notes outstanding at any time are all the Notes that have been authenticated by the Trustee except those cancelled by it, those delivered to it for cancellation and those described in this *Section 2.08* as not outstanding. Subject to the provisions of *Section 2.09*, a Note does not cease to be outstanding because the Company or any of its Affiliates holds the Note.

If a Note is replaced pursuant to *Section 2.07* (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a *bona fide* purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to *Section 2.07*.

If on a Redemption Date or the Maturity Date the Paying Agent holds U.S. Legal Tender or U.S. Government Obligations sufficient to pay all of the principal and interest and Additional Interest, if and, due on the Notes payable on that date and is not prohibited from paying such money to the

Holders thereof pursuant to the terms of this Indenture, then on and after that date such Notes cease to be outstanding and interest and Additional Interest, if applicable, on them ceases to accrue.

SECTION 2.09. *Treasury Notes; When Notes Are Disregarded*.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver, consent or notice, Notes owned by the Company or any of its Affiliates shall be considered as though they are not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Trust Officer of the Trustee actually knows are so owned shall be so considered. Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes the pledgee's right so to act with respect to such Notes and that the pledgee is not one of the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor.

SECTION 2.10. *Temporary Notes*.

Until definitive Notes are ready for delivery, the Company may prepare and execute and the Trustee shall authenticate temporary Notes upon receipt of a written order of the Company in the form of an Officers' Certificate. The Officers' Certificate shall specify the amount of temporary Notes to be authenticated and the date on which the temporary Notes are to be authenticated. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company consider appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate upon receipt of a written order of the Company pursuant to *Section 2.02* definitive Notes in exchange for temporary Notes. Until so exchanged, the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 2.11. *Cancellation*.

The Company at any time may deliver Notes previously authenticated hereunder which the Company has acquired in any lawful manner, to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Trustee, or at the direction of the Trustee, the Registrar or the Paying Agent, and no one else, shall cancel all Notes surrendered for transfer, exchange, payment or cancellation. Subject to *Section 2.07*, the Company may not issue new Notes to replace Notes that it has paid or delivered to the Trustee for cancellation. If the Company shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Notes unless and until the same are surrendered to the Trustee for cancellation pursuant to this *Section 2.11*. The Trustee shall dispose of all cancelled Notes in accordance with customary procedures or, at the written request of the Company, shall return the same to the Company (unless applicable law or the Trustee's procedures requires the Trustee to retain possession of such cancelled Notes).

SECTION 2.12. *CUSIP Numbers*.

A "*CUSIP*" number shall be printed on the Notes, and the Trustee shall use the CUSIP number in notices of redemption, purchase or exchange as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Notes and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee in writing of any change in the CUSIP number.

SECTION 2.13. *Deposit of Moneys*.

Prior to 11:00 a.m. New York City time on each Interest Payment Date and the Maturity Date, the Company shall deposit with the Paying Agent U.S. Legal Tender sufficient to make cash payments, if any, due on such Interest Payment Date or the Maturity Date, as the case may be.

SECTION 2.14. *Book-Entry Provisions for Global Notes*.

(a) The Global Notes initially shall (i) be registered in the name of the Depository or the nominee of the Depository, (ii) be delivered to the Trustee as custodian for the Depository and (iii) bear legends as set forth in *Exhibit C*.

Members of, or participants in, the Depository ("*Agent Members*") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under any Global Note, and the Depository may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of the Global Notes shall be limited to transfers in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged in accordance with the Applicable Procedures of the Depository and the provisions of *Section 2.15*; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person. In addition, Notes in the form of certificated Notes in registered form in substantially the form set forth in *Exhibit A* hereto (the "*Physical Notes*") shall be transferred to all beneficial owners in exchange for their beneficial interests in the Global Notes if (i) the Depository notifies the Company that it is unwilling or unable to continue as depository for the Global Notes and a successor Depository is not appointed by the Company within ninety (90) days of such notice or (ii) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depository to issue Physical Notes.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note shall, upon transfer, cease to be an interest in such Global Note and become a beneficial interest in such other Global Note and, accordingly, shall thereafter be subject to all transfer restrictions, if any, and other procedures applicable to a beneficial interest in such other Global Notes for as long as it remains such an interest.

(d) In connection with any transfer or exchange of a portion of the beneficial interest in the Global Note to beneficial owners pursuant to *clause (b)* of this *Section 2.14*, the Registrar shall (if one or more Physical Notes are to be issued) reflect on its books and records the date and a decrease in the principal amount of the Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Physical Notes of like tenor and aggregate principal amount.

(e) In connection with the transfer of an entire Global Note to beneficial owners pursuant to *clause (b)* of this *Section 2.14*, the Global Notes shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in the Global Notes, an equal aggregate principal amount of Physical Notes of authorized denominations.

At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Physical Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a

beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement will made on such Global Notes by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(g) Any Physical Note constituting a Restricted Security delivered in exchange for an interest in the Global Note pursuant to *clause (b)* or *(c)* shall, except as otherwise provided by *clauses (a)(i)(x)* and *(c)* of *Section 2.15*, bear the legend regarding transfer restrictions applicable to the Physical Notes set forth in *Exhibit A*.

(h) The Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

SECTION 2.15. *Special Transfer Provisions*.

(a) *Transfers to Non-QIB Institutional Accredited Investors and Non-U.S. Persons*. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to any Institutional Accredited Investor which is not a QIB or to any Non-U.S. Person:

(i) the Registrar shall register the transfer of any Note constituting a Restricted Security, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after November 19, 2010 or (y) (1) in the case of a transfer to an Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons), the proposed transferee has delivered to the Registrar a certificate substantially in the form of *Exhibit D* hereto or (2) in the case of a transfer to a Non-U.S. Person, the proposed transferor has delivered to the Registrar a certificate substantially in the form of *Exhibit E* hereto; and

(ii) if the proposed transferor is an Agent Member holding a beneficial interest in the Global Note, upon receipt by the Registrar of (x) the certificate, if any, required by *clause (i)* above and (y) instructions given in accordance with the Applicable Procedures and the Registrar's procedures,

whereupon (1) the Registrar shall reflect on its books and records the date and (if the transfer does not involve a transfer of outstanding Physical Notes) a decrease in the principal amount of the Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and (2) the Company shall execute and the Trustee shall authenticate and deliver one or more Physical Notes of like tenor and principal amount.

(b) *Transfers to QIBs*. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to a QIB (excluding transfers to Non-U.S. Persons):

(i) the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is an Agent Member, and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in the Global Note, upon receipt by the Registrar of instructions given in accordance with the Applicable Procedures and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Note in an amount equal to the principal amount of the Physical Notes to be transferred, and the Trustee shall cancel the Physical Notes so transferred.

(c) *Private Placement Legend.* Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) the circumstance contemplated by *clause (a)(i)(x)* of this *Section 2.15* exists or (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; *provided* that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

(d) *General.* By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it shall transfer such Note only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to *Section 2.14* or this *Section 2.15*. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depository.

SECTION 2.16. *Transfers of Global Notes and Physical Notes*.

A transfer of a Global Note or a Physical Note (including the right to receive principal and interest and Additional Interest, if any, payable thereon) may be made only by the Registrar's entering the transfer in the Register. Prior to such entry, the Company shall treat the person in whose name such Note is registered as the owner of the Note for all purposes.

ARTICLE THREE

REDEMPTION

SECTION 3.01. *Redemption*.

(a) *Optional Redemption on or after June 1, 2014.* Except as described in *Sections 3.01(b)* and *(c)*, the Notes are not redeemable before June 1, 2014. At any time on or after June 1, 2014, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on June 1, of each year set forth below, *plus*, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the date of redemption or purchase (the "*Redemption Date*"):

Year	Percentage
2014	105.000%
2015	102.500%
2016 and each year thereafter	100.000%

In addition, the Company must pay accrued and unpaid interest and Additional Interest, if any, on the Notes redeemed.

(b) *Optional Redemption Upon Equity Offerings.* At any time, or from time to time, on or prior to June 1, 2013, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under this Indenture at a redemption price of 110% of the aggregate principal amount thereof, *plus* accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date; *provided* that

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under this Indenture shall remain outstanding immediately after such Redemption Date; and

(2) the Company makes such redemption not more than 120 days after the consummation of any such Equity Offering.

(c) *Optional Redemption Prior to June 1, 2014.* At any time prior to June 1, 2014, Notes may be redeemed or purchased by the Company in whole or in part, at the Company's option at a price equal to 100% of the principal amount thereof *plus* the Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the Redemption Date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) *Notice of Redemption.* Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to the Trustee and to each Holder to be redeemed at its registered address. If Notes are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in the Global Notes will be made).

Except as set forth in this Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) *Mandatory Redemption.* The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Each Officers' Certificate provided for in this *Section 3.01* shall be accompanied by an Opinion of Counsel stating that such redemption shall comply with the conditions contained herein and in the Notes.

SECTION 3.02. *Selection of Notes to be Redeemed*.

In the event that the Company chooses to redeem less than all of the Notes, selection of the Notes for redemption will be made by the Trustee either:

(1) in compliance with the requirements of the principal national securities exchange, if any, on which such Notes are listed; or

(2) if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate.

The Company shall provide the Trustee a period of at least 10 days to select the Notes to be redeemed prior to the date the notice of redemption is sent to Holders. If a partial redemption is made with the proceeds of an Equity Offering, the Trustee will select the Notes only on a pro rata basis or on as nearly a pro rata basis as is practicable (subject to the Depository's procedures), unless such method is otherwise prohibited. No Notes of a principal amount of $2,000 or less shall be redeemed in part and Notes of a principal amount in excess of $2,000 may be redeemed in part in multiples of $1,000 only.

The Trustee shall make the selection from the Notes outstanding and not previously called for redemption and shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount at maturity thereof, to be redeemed. The Trustee may select for redemption portions (equal to $2,000 in principal amount at maturity or an integral multiple of $1,000 in excess thereof) of the principal of Notes that have denominations larger than $2,000. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

SECTION 3.03. *Notice of Redemption.*

At least thirty (30) days but not more than sixty (60) days before the Redemption Date, the Company shall mail or cause to be mailed a notice of redemption by first class mail, postage prepaid, to each Holder whose Notes are to be redeemed at its registered address, with a copy to the Trustee and any Paying Agent. At the Company' written request delivered at least ten (10) days before the notice of redemption is to be given to the Holders (unless a shorter period shall be acceptable to the Trustee), the Trustee shall give the notice of redemption in the Company' name and at the Company' expense, provided that the Company's request to the Trustee contains the information listed in the following paragraph. Failure to give notice of redemption, or any defect therein to any Holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Note.

Each notice of redemption shall identify the Notes to be redeemed and shall state:

(1) the Redemption Date;

(2) the Redemption Price and the amount of accrued interest and Additional Interest, if any, to be paid the Redemption Date;

(3) the name and address of the Paying Agent;

(4) the CUSIP number;

(5) the subparagraph of the Notes pursuant to which such redemption is being made;

(6) the place where such Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date;

(7) that, unless the Company fails to deposit with the Paying Agent funds in satisfaction of the applicable Redemption Price, interest Additional Interest, if any, on Notes called for redemption ceases to accrue on and after the Redemption Date in accordance with *Section 3.05*, and the only remaining right of the Holders of such Notes is to receive payment of the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date, upon surrender to the Paying Agent of the Notes redeemed;

(8) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date, and upon surrender of such Note, a new Note or Notes in the aggregate principal amount equal to the unredeemed portion thereof shall be issued; and

(9) if fewer than all the Notes are to be redeemed, the identification of the particular Notes (or portion thereof) to be redeemed, as well as the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption.

If any of the Notes to be redeemed is in the form of a Global Note, then the Company shall modify such notice to the extent necessary to accord with the procedures of the Depository applicable to redemption.

SECTION 3.04. *Effect of Notice of Redemption.*

Once notice of redemption is mailed in accordance with *Section 3.03*, Notes or portions thereof called for redemption shall become irrevocably due and payable on the Redemption Date and at the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date. Upon surrender to the Trustee or Paying Agent, such Notes or portions thereof called for redemption shall be paid at the Redemption Price plus accrued interest and Additional Interest, if any, thereon to (but not including) the Redemption Date, but installments of interest and Additional Interest, if applicable, the maturity of which is on or prior to the Redemption Date, shall be payable to Holders of record at the close of business on the relevant Record Dates referred to in the Notes.

SECTION 3.05. *Deposit of Redemption Price.*

Not later than 11:00 a.m. New York City time on the Redemption Date, the Company shall deposit with the Paying Agent U.S. Legal Tender sufficient to pay the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date, of all Notes or portions thereof to be redeemed on that date.

The Paying Agent shall promptly return to the Company any U.S. Legal Tender so deposited which is not required for that purpose, except with respect to monies owed as obligations to the Trustee pursuant to *Article Seven*.

If the Company complies with this *Section 3.05*, then the Notes to be redeemed shall cease to accrue on and after the applicable Redemption Date, whether or not such Notes are presented for payment.

SECTION 3.06. *Notes Redeemed in Part.*

Upon surrender of a Note that is to be redeemed in part, the Company shall issue and the Trustee shall authenticate for the Holder at the expense of the Company a new Note or Notes equal in principal amount to the unredeemed portion of the Note surrendered.

ARTICLE FOUR

COVENANTS

SECTION 4.01. *Payment of Notes.*

The Company shall pay the principal of, premium, if any, and interest and Additional Interest, if any, on, the Notes on the dates and in the manner provided in the Notes and in this Indenture. An installment of principal of, premium, if any, and interest and Additional Interest, if any, on, the Notes shall be considered paid on the date it is due if the Trustee or Paying Agent (other than the Company or an Affiliate of the Company) holds as of 11:00 a.m. New York City time on that date U.S. Legal Tender designated for and sufficient to pay the installment in full and is not prohibited from paying such money to the Holders pursuant to the terms of this Indenture. The Company shall pay interest on overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in *Section 6.01(6)* or *(7)* of this Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws) at 1% per annum in excess of the rate per annum set forth in the Notes (the "*Default Rate*"), and it shall pay interest on overdue installments of interest and Additional Interest, if any, at the same Default Rate to the extent lawful

Notwithstanding anything to the contrary contained in this Indenture, the Company may, to the extent it are required to do so by law, deduct or withhold income or other similar taxes imposed by the United States from principal or interest payments hereunder.

SECTION 4.02. *Maintenance of Office or Agency.*

The Company shall maintain the office or agency required under *Section 2.03*. The Company shall give prior written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations and surrenders may be made or served at the Corporate Trust Office and the Company hereby appoints the Trustee as its agent to receive all such presentations and surrenders.

SECTION 4.03. *Corporate Existence.*

Except as otherwise permitted by *Article Four*, *Article Five* and *Article Ten*, the Company shall do or cause to be done, at its own cost and expense, all things necessary to preserve and keep in full force and effect its corporate existence and the limited liability company or corporate existence of each of the Restricted Subsidiaries in accordance with the respective organizational documents of the Company and of each such Restricted Subsidiary and the material rights (charter and statutory) and franchises of the Company and each such Restricted Subsidiary; *provided*, *however*, that the Company shall not be

required to preserve, with respect to themselves, any material right or franchise and, with respect to any of the Restricted Subsidiaries, any such existence, material right or franchise, if the Board of Directors of the Company shall determine in good faith that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole.

SECTION 4.04. *Payment of Taxes and Other Claims.*

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all material taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon them or any of the Restricted Subsidiaries or their properties or any of the Restricted Subsidiaries' properties; *provided, however*, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being or shall be contested in good faith by appropriate proceedings diligently conducted for which adequate reserves, to the extent required under GAAP, have been taken.

SECTION 4.05. *Maintenance of Properties and Insurance.*

The Company shall, and shall cause each of its Restricted Subsidiaries to, maintain in good working order and condition in all material respects (subject to ordinary wear and tear) their properties that are used or useful in the conduct of their business and that are material to the conduct of such business, and make all necessary repairs, renewals, replacements, additions, betterments and improvements thereto; *provided, however*, that nothing in this *Section 4.05* shall prevent the Company or any of its Restricted Subsidiaries from discontinuing the operation and maintenance of any of their properties if such discontinuance is desirable in the conduct of their businesses and is not disadvantageous in any material respect to the Holders, in each case as determined in the good faith judgment of the Board of Directors or other governing body of the Company or the Restricted Subsidiary concerned, as the case may be.

The Company shall maintain insurance (including appropriate self-insurance) against loss or damage of the kinds that, in the good faith judgment of the Company, are adequate and appropriate for the conduct of the business of the Company and the Restricted Subsidiaries in a prudent manner, with reputable insurers or with the government of the United States or an agency or instrumentality thereof, in such amounts, with such deductibles, and by such methods as shall be customary, in the good faith judgment of the Company, for companies similarly situated in the industry in which the Company and the Restricted Subsidiaries are engaged.

SECTION 4.06. *Compliance Certificate, Notice of Default.*

(1) The Company and each Guarantor shall deliver to the Trustee, within ninety (90) days after the end of the Company's fiscal year commencing with the fiscal year ending December 31, 2010, an Officers' Certificate stating that a review of its activities during the preceding fiscal year has been made under the supervision of the signing Officers (one of whom is the principal executive officer, principal financial officer or principal accounting officer) with a view to determining whether it has kept, observed, performed and fulfilled its obligations under this Indenture and further stating, as to each such Officer signing such certificate, that to the best of such Officer's actual knowledge the Company during such preceding fiscal year has kept, observed, performed and fulfilled each and every condition and covenant under this Indenture and no Default or Event of Default occurred during such year and at the date of such certificate there is no Default or Event of Default that has occurred and is continuing or, if such signers do know of such Default or Event of Default, the certificate shall describe the Default or Event of Default and its status with particularity. The Officers' Certificate shall also notify the Trustee should the Company elect to change the manner in which it fixes its fiscal year end.

(2) (i) If any Default or Event of Default has occurred and is continuing or (ii) if any Holder has provided written notice to the Company that such Holder seeks to exercise any remedy hereunder with respect to a claimed Default under this Indenture or the Notes, the Company shall deliver to the Trustee, at its address set forth in *Section 11.02*, by registered or certified mail or by telegram or facsimile transmission followed by hard copy by registered or certified mail an Officers' Certificate specifying such event or notice, and the status thereof within ten (10) Business Days of any such officer becoming aware of such occurrence.

SECTION 4.07. *Waiver of Stay, Extension or Usury Laws.*

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of, premium, if any, or interest or Additional Interest, if any, on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force; and (to the extent that it may lawfully do so) the Company hereby expressly waive all benefit or advantage of any such law, and covenant that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.08. *Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "incur," which term shall be deemed to include the entry into a committed revolving credit facility or agreement to increase in the amount of the revolving commitments thereunder, in each case, in an aggregate principal amount equal to the aggregate amount of all revolving commitments thereunder at the time of such entry or increase, as the case may be, and for the avoidance of doubt not the extension or issuance of individual loans or letters of credit thereunder) any Indebtedness (other than Permitted Indebtedness), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that if no Default or Event of Default shall have occurred and be continuing at the time of or as a consequence of the incurrence of any such Indebtedness, the Company may incur Indebtedness or issue Disqualified Stock and any of its Restricted Subsidiaries that is or, upon such incurrence, becomes a Guarantor may incur Indebtedness, in each case, if on the date of the incurrence of such Indebtedness or the issuance of such Disqualified Stock, as the case may be, the Consolidated Fixed Charge Coverage Ratio of the Company will be, after giving effect to the incurrence thereof, greater than 2.00 to 1.00.

(b) The Company will not, and will not permit any of its Domestic Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness which by its terms (or by the terms of any agreement governing such Indebtedness) is subordinated to any other Indebtedness of the Company or such Domestic Restricted Subsidiary unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinate to the Obligations of the Company or such Domestic Restricted Subsidiary under (i) in the case of the Company, the Notes and the other Indenture Documents or (ii) in the case of such Domestic Restricted Subsidiary, its Guarantee and the other Indenture Documents, in each case, to the same extent and in the same manner as such Indebtedness is subordinated pursuant to subordination provisions that are most favorable to the holders of any other Indebtedness of the Company or such Domestic Restricted Subsidiary.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person without recourse to such Person or any of its assets (other than to the assets that are the subject of such Lien), the lesser of:

(A) the Fair Market Value of such assets that are the subject of such Lien at the date of determination; and

(B) the amount of the Indebtedness of the other Person.

SECTION 4.09. *Limitation on Restricted Payments.*

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution (other than dividends or distributions payable in Qualified Capital Stock of the Company and dividends and distributions payable to the Company or another Restricted Subsidiary of the Company) on or in respect of shares of Capital Stock of the Company or its Restricted Subsidiaries to holders of such Capital Stock;

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Company or its Restricted Subsidiaries (other than any such Capital Stock held by the Company or any Restricted Subsidiary);

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of the Company or any Guarantor that is subordinate or junior in right of payment to the Notes or a Guarantee; or

(4) make any Investment (other than Permitted Investments);

each of the foregoing actions set forth in clauses (1), (2), (3) and (4) being referred to as a "*Restricted Payment*", if at the time of such Restricted Payment or immediately after giving effect thereto:

(i) a Default or an Event of Default shall have occurred and be continuing;

(ii) the Company is not able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with *Section 4.08*; or

(iii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the Issue Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property at the time of the making thereof) shall exceed the sum of:

(A) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income is a loss, minus 100% of such loss) of the Company earned during the period beginning on the first day of the first fiscal quarter after the Issue Date and ending on the last day of the Company's most recent fiscal quarter ending prior to the date the Restricted Payment occurs for which internal financial statements are available (the "*Reference Date*") (treating such period as a single accounting period); *plus*

(B) 100% of the aggregate net cash proceeds received by the Company from any Person (other than a Subsidiary of the Company) from the issuance and sale subsequent to the Issue

Date and on or prior to the Reference Date of Qualified Capital Stock of the Company (excluding any net proceeds from an Equity Offering to the extent used to redeem Notes pursuant to the provisions described under *Section 3.01(b)*); *plus*

(C) 100% of the aggregate net cash proceeds received from the issuance of Indebtedness or shares of Disqualified Capital Stock of the Company that have been converted into or exchanged for Qualified Capital Stock of the Company subsequent to the Issue Date and on or prior to the Reference Date; *plus*

(D) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by the Company or any of its Restricted Subsidiaries in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any of its Restricted Subsidiaries, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; *provided*, *however*, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any of its Restricted Subsidiaries in such Person or Unrestricted Subsidiary; *plus*

(E) 100% of the aggregate net cash proceeds received from the exercise by any holder of a convertible note of the Company that has been converted into Qualified Capital Stock of the Company subsequent to the Issue Date and on or prior to the Reference Date.

In the case of clause (iii)(B) above, any net cash proceeds from issuances and sales of Qualified Capital Stock of the Company financed directly or indirectly using funds borrowed from the Company or any Subsidiary of the Company, shall be excluded until and to the extent such borrowing is repaid.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend or other distribution or redemption within 60 days after the date of declaration of such dividend or call for redemption if such payment would have been permitted on the date of declaration or call for redemption;

(2) the acquisition of any shares of Qualified Capital Stock of the Company, either (i) solely in exchange for other shares of Qualified Capital Stock of the Company or (ii) through the application of net proceeds of a sale for cash (other than to a Subsidiary of the Company) of shares of Qualified Capital Stock of the Company within 60 days after such sale;

(3) the acquisition of any Indebtedness of the Company or the Guarantors that is subordinate or junior in right of payment to the Notes and Guarantees either (i) solely in exchange for shares of Qualified Capital Stock of the Company, or (ii) through the application of net proceeds of a sale for cash (other than to a Subsidiary of the Company) within 60 days after such sale of (a) shares of Qualified Capital Stock of the Company or (b) if no Default or Event of Default would exist after giving effect thereto, Refinancing Indebtedness;

(4) an Investment either (i) solely in exchange for shares of Qualified Capital Stock of the Company or (ii) through the application of the net proceeds of a sale for cash (other than to a Subsidiary of the Company) of shares of Qualified Capital Stock of the Company within 60 days after such sale;

(5) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the repurchase or other acquisition of shares of Capital Stock of the Company from employees, former employees, directors or former directors of the Company (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors of the Company under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; *provided, however*, that the aggregate amount of such repurchases and other acquisitions in any calendar year shall not exceed $2.0 million; *provided further, however*, that such amount in any calendar year may be increased by an amount not to exceed the net cash proceeds of key man life insurance policies received by the Company after the Issue Date;

(6) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;

(7) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law, pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company or any of its Restricted Subsidiaries;

(8) distribution of rights pursuant to a shareholder rights plan of the Company or redemptions of such rights; *provided* that such redemptions are in accordance with the terms of such shareholder rights plan;

(9) any purchase, redemption or acquisition for value of Qualified Capital Stock of the Company in connection with the Company's 401(k) plan or Employee Stock Purchase Plan (as such plans are amended or modified from time to time); and

(10) if no Default shall have occurred and be continuing or would exist after giving effect thereto, other Restricted Payments not to exceed $12.5 million outstanding at any one time in the aggregate.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (iii) of the first paragraph of this *Section 4.09* amounts expended pursuant to clauses (1), (2)(ii), (3)(ii)(a), (4)(ii) and (10) shall be included in such calculation.

For purposes of determining compliance with *Section 4.09*, in the event that a Restricted Payment meets the criteria of more than one of the exceptions described in (1) through (10) of the second paragraph of this *Section 4.09* or is entitled to be made pursuant to the first paragraph of this *Section 4.09*, the Company shall be permitted, in the Company's sole discretion, to classify or reclassify such Restricted Payment in any manner that complies with *Section 4.09*.

Not later than the date of making any Restricted Payment pursuant to the provisions of the first paragraph described under this *Section 4.09* and no less frequently than quarterly in the case of all other Restricted Payments, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment complies with this Indenture and setting forth in reasonable detail the basis upon which the required calculations were computed, which calculations may be based upon the Company's latest available internal quarterly financial statements. The Trustee may assume no Restricted Payments were made if it does not receive an Officers' Certificate and the Trustee shall have no duty to investigate whether such an Officers' Certificate should have been delivered.

SECTION 4.10. *Repurchase upon Change of Control*.

Upon the occurrence of a Change of Control, each Holder will have the right to require that the Company purchase all or a portion (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of such Holder's Notes using immediately available funds pursuant to the offer described below (the "*Change of Control Offer*"), at a purchase price in cash equal to 101% of the principal amount thereof

on the date of purchase, *plus* accrued and unpaid interest and Additional Interest, if any, to the date of purchase.

Within 30 days following the date upon which the Change of Control occurred, the Company must send, by first-class mail, an offer to each Holder, with a copy to the Trustee, which offer shall govern the terms of the Change of Control Offer. The notice to the Holders shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Change of Control Offer. Such notice shall state:

(1) that the Change of Control Offer is being made pursuant to this *Section 4.10* and that, to the extent lawful, all Notes validly tendered and not withdrawn shall be accepted for payment;

(2) the purchase date (including the amount of accrued interest and Additional Interest if any), which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the "*Change of Control Payment Date*"):

(3) that any Note not tendered shall continue to accrue interest and Additional Interest, if applicable;

(4) that, unless the Company defaults in making payment therefor, any Note accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest and Additional Interest, if applicable, after the Change of Control Payment Date;

(5) that Holders electing to have a Note purchased pursuant to a Change of Control Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the paying agent at the address specified in the notice prior to the close of business on the third business day prior to the Change of Control Payment Date;

(6) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than five (5) Business Days prior to the Change of Control Payment Date, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes the Holder delivered for purchase and a statement that such Holder is withdrawing its elections to have such Notes purchased;

(7) that Holders whose Notes are purchased only in part shall be issued new Notes in a principal amount equal to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of $2,000 or integral multiples of $1,000 in excess thereof, and such new Notes will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made);

(8) the circumstances and relevant facts regarding such Change of Control.

If any of the Notes subject to the Change of Control Offer is in the form of a Global Note, then the Company shall modify such notice to the extent necessary to comply with the procedures of the Depositary applicable to repurchases.

On or before the Change of Control Payment Date, the Company shall, to the extent lawful (i) accept for payment Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent U.S. Legal Tender sufficient to pay the purchase price plus accrued interest and Additional Interest, if any, of all Notes or portions thereof so tendered and (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company. The Paying Agent shall promptly deliver to the Holders so tendered the purchase price for such Notes and the Company shall promptly issue and the Trustee shall promptly (but in any case not

later than five (5) days after the Change of Control Payment Date) authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered; *provided* that each such new Note shall be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. Any Notes not so accepted shall be promptly mailed by the Company to the Holders thereof. For purposes of this *Section 4.10*, the Trustee shall act as the Paying Agent.

Any amounts remaining after the purchase of Notes pursuant to a Change of Control Offer shall be returned by the Trustee to the Company.

Neither the Board of Directors of the Company nor the Trustee may waive the Company's obligation to offer to purchase the Notes pursuant to this *Section 4.10*.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with this *Section 4.10*, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the provisions of this *Section 4.10* by virtue thereof.

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not properly withdrawn under such Change of Control Offer.

SECTION 4.11. *Limitation on Asset Sales.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed;

(2) at least 75% of the consideration received by the Company or the Restricted Subsidiary, as the case may be, from such Asset Sale is in the form of cash or Cash Equivalents and is received at the time of such disposition; *provided* that (a) the amount of any liabilities (as shown on the most recent applicable balance sheet) of the Company or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets shall be deemed to be cash for purposes of this provision so long as the documents governing such liabilities or the assumption thereof provide that there is no further recourse to the Company or any of its Subsidiaries with respect to such liabilities and (b) the Fair Market Value of any marketable securities received by the Company or any such Restricted Subsidiary in exchange for any such assets that are converted into cash or Cash Equivalents within 60 days after the consummation of such Asset Sale shall be deemed to be cash for purposes of this provision; and

(3) the Company shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale within 360 days of receipt thereof either:

(a) to the extent the property that is subject to such Asset Sale constitutes Credit Facility Priority Collateral, (i) to repay or prepay Indebtedness and other Obligations under the Credit Agreement and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto or (ii) to acquire inventory, documents, contracts, or accounts, chattel paper, instruments or contract rights in respect of any service or sales contracts;

(b) to make (or enter into a definitive and binding agreement committing to do so within 180 days after the date that is 360 days following the date of receipt of such Net Cash Proceeds) an investment in property, plant, equipment or other non-current assets that replace the properties and assets that were the subject of such Asset Sale or that will be used or useful in a Permitted Business or the acquisition of all of the Capital Stock of a Person engaged in a Permitted Business; or

(c) a combination of repayment and investment permitted by the foregoing clauses (3)(a) and (3)(b);

provided, that if such Asset Sale is of all or substantially all of the Capital Stock of one or more of the Subsidiaries of the Company and if the Net Cash Proceeds of such Capital Stock are not reinvested in the acquisition of all of the Capital Stock of a Person engaged in a Permitted Business as described in clause (3)(b) above, then the portion of the Net Cash Proceeds attributable to Credit Facility Priority Collateral of such Subsidiaries immediately prior to such sale shall be applied as required by clause (3)(a) above, and the portion of the Net Cash Proceeds attributable to Notes Priority Collateral of such Subsidiaries immediately prior to such sale shall be applied as required by clause (3)(b) above, notwithstanding the fact that such Capital Stock constitutes Notes Priority Collateral).

Pending the final application of Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or invest such Net Cash Proceeds in Cash Equivalents. On the 361st day after an Asset Sale or such earlier date, if any, as the Board of Directors of the Company or of such Restricted Subsidiary determines not to apply the Net Cash Proceeds relating to such Asset Sale as set forth in clauses (3)(a), (3)(b) or (3)(c) of the preceding paragraph (each, a "*Net Proceeds Offer Trigger Date*"), such aggregate amount of Net Cash Proceeds which have not been applied on or before such Net Proceeds Offer Trigger Date as permitted in clauses (3)(a), (3)(b) and (3)(c) of the preceding paragraph (each a "*Net Proceeds Offer Amount*") shall be applied by the Company or such Restricted Subsidiary to make an offer to purchase (the "*Net Proceeds Offer*") on a date (the "*Net Proceeds Offer Payment Date*") not less than 30 nor more than 60 days following the applicable Net Proceeds Offer Trigger Date, from all Holders, the maximum principal amount of Notes that may be purchased with the Net Proceeds Offer Amount at a price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest and Additional Interest thereon, if any, to the date of purchase; *provided*, *however*, that if (x) at any time any non-cash consideration received by the Company or any Restricted Subsidiary of the Company, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder on the date of such conversion or disposition, as the case may be, and the Net Cash Proceeds thereof shall be applied in accordance with clause (3) of the immediately preceding paragraph and this paragraph and (y) any Net Cash Proceeds are not applied by the date provided in any definitive and binding agreement described under clause (3)(b) of the immediately preceding paragraph (as such date may be extended in accordance with the terms of such definitive agreement, but in any event, to a date no later than 180 days following such 361st date), such date (as extended, if applicable) shall immediately be deemed to be a Net Proceeds Trigger Date and the aggregate amount of such Net Cash Proceeds not applied in accordance with clause (3)(a), (3)(b) or (3)(c), as applicable, by such date shall immediately be deemed to be the Net Proceeds Offer Amount, and such aggregate amount shall be subject to a Net Proceeds Offer and such Net Cash Proceeds shall be applied in accordance with this paragraph.

The Company may defer any Net Proceeds Offer until there is an aggregate unutilized Net Proceeds Offer Amount equal to or in excess of $5.0 million resulting from one or more Asset Sales in which case the accumulation of such amount shall constitute a Net Proceeds Offer Trigger Date (at which time, the entire unutilized Net Proceeds Offer Amount, and not just the amount in excess of $5.0 million, shall be applied as required pursuant to the immediately preceding paragraph). Upon the

completion of each Net Proceeds Offer, the Net Proceeds Offer Amount will be reset at zero, and for the avoidance of doubt, if the aggregate principal amount of Notes properly tendered in connection with such Net Proceeds Offer was less than the Net Proceeds Offer Amount, any Net Cash Proceeds relating to, and remaining following the completion of, such Net Proceeds Offer shall no longer constitute Net Cash Proceeds for purposes of this *Section 4.11*.

In the event of the transfer of substantially all (but not all) of the property and assets of the Company and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under *Section 5.01* which transaction does not constitute a Change of Control, the successor entity shall be deemed to have sold the properties and assets of the Company and its Restricted Subsidiaries not so transferred for purposes of this *Section 4.11*, and shall comply with the provisions of *Section 4.11* with respect to such deemed sale as if it constituted an Asset Sale. In addition, the Fair Market Value of such properties and assets of the Company or its Restricted Subsidiaries deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of *Section 4.11*.

Each notice of a Net Proceeds Offer shall be mailed first class, postage prepaid, to the record Holders as shown on the register of Holders within 20 days following the Net Proceeds Offer Trigger Date, with a copy to the Trustee, and shall comply with the procedures set forth in this Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their Notes in whole or in part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) in exchange for cash. To the extent Holders properly tender Notes in an amount exceeding the Net Proceeds Offer Amount, Notes of tendering Holders will be purchased on a pro rata basis (based on amounts tendered) or on as nearly a pro rata basis as is practicable (subject to the Depository's procedures). A Net Proceeds Offer shall remain open for a period of 20 Business Days or such longer period as may be required by law.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with this *Section 4.11* of this Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this *Section 4.11* by virtue of such compliance.

SECTION 4.12. *Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.*

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock;

(2) make loans or advances or to pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary of the Company; or

(3) transfer any of its property or assets to the Company or any other Restricted Subsidiary of the Company,

except for such encumbrances or restrictions existing under or by reason of:

(A) applicable law, rule or regulation;

(B) this Indenture, the Notes, the Guarantees, or the Collateral Agreements;

(C) customary non-assignment provisions of any lease of any Restricted Subsidiary of the Company to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(D) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(E) the Credit Agreement (and all replacements or substitutions thereof on terms no more adverse to the Holders and not more materially restrictive to the Company and its Restricted Subsidiaries);

(F) agreements existing on the Issue Date to the extent and in the manner such agreements are in effect on the Issue Date;

(G) restrictions on the transfer of assets subject to any Lien permitted under this Indenture;

(H) restrictions imposed by any agreement to sell assets or Capital Stock permitted under this Indenture to any Person pending the closing of such sale;

(I) provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity or the equity interests therein) entered into in the ordinary course of business;

(J) restrictions contained in the terms of the Purchase Money Indebtedness or Capitalized Lease Obligations not incurred in violation of this Indenture; *provided*, that such restrictions relate only to the assets financed with such Indebtedness;

(K) restrictions in other Indebtedness incurred in compliance with *Section 4.08*; *provided* that such restrictions, taken as a whole, are, in the good faith judgment of the Company's Board of Directors, no more materially restrictive with respect to such encumbrances and restrictions than those contained in the existing agreements referenced in clauses (B), (E) and (F) above;

(L) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business;

(M) restrictions on the ability of any Foreign Restricted Subsidiary to make dividends or other distributions resulting from the operation of covenants contained in documentation governing Indebtedness of such Subsidiary permitted under this Indenture; or

(N) an agreement governing Indebtedness incurred to Refinance the Indebtedness issued, assumed or incurred pursuant to an agreement referred to in clause (B), (D), (E), (F), (J), or (K) above; *provided*, *however*, that the provisions relating to such encumbrance or restriction contained in any such Indebtedness are no less favorable to the Company as determined by the Board of Directors of the Company in their reasonable and good faith judgment than the provisions relating to such encumbrance or restriction contained in agreements referred to in such clause (B), (D), (E), (F), (J), or (K).

SECTION 4.13. *Limitation on Issuances and Sales of Capital Stock of Subsidiaries.*

The Company will not permit or cause any of its Restricted Subsidiaries to issue or sell any Capital Stock (other than to the Company or to a Wholly Owned Subsidiary of the Company or permit any Person (other than the Company or a Wholly Owned Subsidiary of the Company) to own or hold any Capital Stock of any Restricted Subsidiary of the Company or any Lien or security interest therein (other than as required by applicable law); *provided*, *however*, that this provision shall not prohibit (1) any issuance or sale if, immediately after giving effect thereto, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect to such issuance or sale would have been permitted to be made under *Section 4.09* if made on the date of such issuance or sale or (2) the sale of all of the Capital Stock of a Restricted Subsidiary in compliance with the provisions of S*ection 4.11*.

SECTION 4.14. *Limitation on Liens.*

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens (other than Permitted Liens) of any kind against or upon any property or assets of the Company or any of its Restricted Subsidiaries whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom.

SECTION 4.15. *Limitations on Transactions with Affiliates.*

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an "*Affiliate Transaction*"), other than

(x) Affiliate Transactions permitted under paragraph (b) below, and

(y) Affiliate Transactions on terms that are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Company or such Restricted Subsidiary.

All Affiliate Transactions (and each series of related Affiliate Transactions which are similar or part of a common plan) involving aggregate payments or other property with a Fair Market Value in excess of $5.0 million shall be approved by a majority of the members of the Board of Directors of the Company (including a majority of the disinterested members thereof), as the case may be, such approval to be evidenced by a Board Resolution stating that such Board of Directors has determined that such transaction complies with the foregoing provisions and the Company shall deliver an Officers' Certificate to the Trustee certifying that such transactions are in compliance with clause (a)(y) of this *Section 4.15*. If the Company or any Restricted Subsidiary of the Company enters into an Affiliate Transaction (or a series of related Affiliate Transactions related to a common plan) that involves an aggregate Fair Market Value of more than $10.0 million, the Company shall, prior to the consummation thereof, obtain a favorable opinion as to the fairness of the financial terms of such transaction or series of related transactions to the Company or the relevant Restricted Subsidiary, as the case may be, from an Independent Financial Advisor and file the same with the Trustee.

(b) The restrictions set forth in the first paragraph of *Section 4.15* shall not apply to:

(1) reasonable fees and compensation paid to and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any Restricted Subsidiary of the Company as determined in good faith by the Company's Board of Directors or senior management;

(2) transactions exclusively between or among the Company and any of its Restricted Subsidiaries or exclusively between or among such Restricted Subsidiaries, *provided*, that such transactions are not otherwise prohibited by this Indenture;

(3) any agreement as in effect as of the Issue Date or any transaction contemplated thereby and any amendment thereto or any replacement agreement thereto so long as any such amendment or replacement agreement is not materially more disadvantageous to the Holders in any material respect than the original agreement as in effect on the Issue Date;

(4) Restricted Payments permitted by this Indenture and Permitted Investments described in clause (10) of the definition thereof;

(5) any merger or other transaction with an Affiliate solely for the purpose of reincorporating the Company in another jurisdiction or creating a holding company of the Company; and

(6) any employment, stock option, stock repurchase, employee benefit compensation, business expense reimbursement, severance, termination or other employment-related agreements, arrangements or plans entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business.

SECTION 4.16. *Additional Subsidiary Guarantees.*

If (a) the Company or any of its Restricted Subsidiaries acquires or creates another Domestic Restricted Subsidiary after the Issue Date (other than a Discontinued Subsidiary) or (b) if any Domestic Restricted Subsidiary that was a Discontinued Subsidiary is no longer a Discontinued Subsidiary, then the Company shall cause such Domestic Restricted Subsidiary to:

(1) execute and deliver to the Trustee a supplemental indenture substantially in the form of Exhibit F hereto pursuant to which such Domestic Restricted Subsidiary shall unconditionally guarantee on a senior secured basis all of the Company's obligations under the Notes and this Indenture on the terms set forth in this Indenture;

(2) take such actions necessary or advisable to grant to the Collateral Agent for the benefit of the Holders a perfected security interest in the assets of such new Domestic Restricted Subsidiary of the type that would constitute Collateral (which for the avoidance of doubt shall not include any Excluded Assets), subject to the Permitted Liens, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Agreement or by law;

(3) take such further action and execute and deliver such other documents specified in this Indenture or otherwise necessary to effectuate the foregoing; and

(4) deliver to the Trustee an Opinion of Counsel that such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Domestic Restricted Subsidiary and constitutes a legal, valid, binding and enforceable obligations of such Domestic Restricted Subsidiary and such other opinions regarding the perfection of such Liens in the assets of such Domestic Restricted Subsidiary as provided for in this Indenture.

Thereafter, such Domestic Restricted Subsidiary shall be a Guarantor for all purposes of this Indenture.

SECTION 4.17. *Real Estate Mortgages and Filings.*

With respect to any fee interest in any real property (individually and collectively, the "*Premises*") (a) owned by the Company or any of its Domestic Restricted Subsidiaries on the Issue Date or (b) acquired by the Company or any such Domestic Restricted Subsidiary after the Issue Date, with a

purchase price of greater than $1.0 million, on the Issue Date in the case of clause (a) and within 90 days of the acquisition thereof in the case of clause (b):

(1) the Company shall deliver to the Collateral Agent, as mortgagee, fully executed counterparts of Mortgages, each dated as of the Issue Date or the date of acquisition of such property, as the case may be, duly executed by the Company or the applicable Domestic Restricted Subsidiary, together with evidence of the completion (or satisfactory arrangements for the completion), of all recordings and filings of such Mortgage as may be necessary to create a valid, perfected Lien, subject to Permitted Liens, against the properties purported to be covered thereby;

(2) the Company shall deliver to the Collateral Agent mortgagee's title insurance policies in favor of the Collateral Agent, as mortgagee for the ratable benefit of the Collateral Agent, the Trustee and the Holders in an amount equal to 100% of the Fair Market Value of the Premises purported to be covered by the related Mortgage, insuring that title to such property is marketable and that the interests created by such Mortgage constitute Liens thereon free and clear of all Liens, defects and encumbrances other than Permitted Liens, and shall be accompanied by evidence of the payment in full of all premiums thereon; and

(3) the Company shall deliver to the Collateral Agent, with respect to each of the covered Premises, the most recent survey of such Premises, together with either (i) an updated survey certification in favor of the Trustee and the Collateral Agent from the applicable surveyor stating that, based on a visual inspection of the property and the knowledge of the surveyor, there has been no change in the facts depicted in the survey or (ii) an affidavit from the Company and the Guarantors stating that there has been no change, other than, in each case, changes that do not materially adversely affect the use by the Company or Guarantor, as applicable, of such Premises for the Company or such Guarantor's business as so conducted, or intended to be conducted, at such Premises.

SECTION 4.18. *Conduct of Business.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any businesses other than Permitted Businesses.

SECTION 4.19. *Reports to Holders.*

Whether or not required by the rules and regulations of the SEC, so long as any Notes are outstanding, the Company will furnish to the Trustee and to the Holders:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries (showing in reasonable detail, either on the face of the financial statements or in the footnotes thereto and in Management's Discussion and Analysis of Financial Condition and Results of Operations, the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company, if any) and, with respect to the annual information only, a report thereon by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports, in each case, within the time periods required for filing such forms and reports as specified in the SEC's rules and regulations.

Notwithstanding the foregoing, the Company may satisfy such requirements prior to the effectiveness of the registration statement contemplated by the Registration Rights Agreement by filing with the SEC such registration statement within the time period required for such filing as specified in

the Registration Rights Agreement, to the extent that any such registration statement contains substantially the same information as would be required to be filed by the Company if it were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and by providing the Trustee and Holders with such Registration Statement (and any amendments thereto) promptly following the filing thereof.

In addition, following the consummation of the Exchange Offer, whether or not required by the rules and regulations of the SEC, the Company will file a copy of all such information and reports with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing). In addition, the Company has agreed that, prior to the consummation of the Exchange Offer, for so long as any Notes remain outstanding, it will furnish to the Holders upon their request, the information required to be delivered pursuant to Rule 144(A)(d)(4) under the Securities Act.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.20. *Limitations on Sale and Leaseback Transactions.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; *provided* that the Company and any Restricted Subsidiary may enter into a sale and leaseback transaction if:

(1) the Company or such Restricted Subsidiary could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to *Section 4.08* and (b) incurred a Lien to secure such Indebtedness pursuant to *Section 4.14* and

(2) the transfer of assets in such sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with *Section 4.11*.

SECTION 4.21. *Payments for Consent.*

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture, the Notes, or any of the Collateral Agreements unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

SECTION 4.22. *Additional Interest.*

If Additional Interest becomes payable by the Company pursuant to the Registration Rights Agreement, the Company shall deliver to the Trustee an Officers' Certificate stating (i) the amount of Additional Interest due and payable, (ii) the Section of the Registration Rights Agreement pursuant to which Additional Interest is due and payable and (iii) the date on which Additional Interest is payable. Unless and until a Trust Officer of the Trustee receives such an Officers' Certificate, the Trustee may assume without inquiry that no Additional Interest is payable; *provided*, that the failure of the Company to deliver to the Trustee such Officers' Certificate shall not relieve the Company of its obligation to pay any such Additional Interest when due and payable.

ARTICLE FIVE

SUCCESSOR CORPORATION

SECTION 5.01. *Merger, Consolidation and Sale of Assets.*

The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of the Company to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Company's assets (determined on a consolidated basis for the Company and the Company's Restricted Subsidiaries) whether as an entirety or substantially as an entirety to any Person unless:

(1) either:

(a) the Company shall be the surviving or continuing corporation; or

(b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and of the Company's Restricted Subsidiaries substantially as an entirety (the "*Surviving Entity*"):

(x) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; and

(y) shall expressly assume, (i) by supplemental indenture, executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, interest and Additional Interest, if any, on all of the Notes and the performance of every covenant of the Notes and this Indenture on the part of the Company to be performed or observed thereunder, (ii) by an assumption and joinder, the performance of every covenant of the Registration Rights Agreement, and (iii) by amendment, supplement or other instrument, executed and delivered to the Trustee, all obligations of the Company under the Collateral Agreements, and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), the Company or such Surviving Entity, as the case may be, shall (a) be able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with *Section 4.08* or (b) have a Consolidated Fixed Charge Coverage Ratio that no worse than the Company's Consolidated Fixed Charge Coverage Ratio immediately prior to such transaction and any related financing transaction;

(3) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) the Company or the Surviving Entity shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Company the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and this Indenture in connection with any transaction complying with the provisions of this *Section 5.01* and *Section 4.11*) will not, and the Company will not cause or permit any Guarantor to, consolidate with or merge with or into any Person, other than the Company or any other Guarantor unless:

(1) the entity formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(2) such entity assumes (a) by supplemental indenture, executed and delivered to the Trustee, all of the obligations of the Guarantor under the Guarantee and the performance of every covenant of the Guarantee and this Indenture, (b) by an assumption and joinder, the performance of every covenant of the Registration Rights Agreement, and (c) by amendment, supplement or other instrument executed and delivered to the Trustee and the Collateral Agent, all obligations of the Guarantor under the Collateral Agreements and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity; and

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Any merger or consolidation of (i) a Guarantor with and into the Company (with the Company being the Surviving Entity) or another Guarantor or (ii) a Guarantor or the Company with an Affiliate organized solely for the purpose of reincorporating such Guarantor or the Company in another jurisdiction in the United States or any state thereof or the District of Columbia need only comply with:

(A) clause (4) of the first paragraph of this *Section 5.01*; and

(B) (x) in the case of a merger or consolidation involving the Company as described in clause (ii), clause (1)(b)(y) of the first paragraph of this *Section 5.01* and (y) in the case of a merger or consolidation involving the Guarantor as described in clause (ii), clause (2) of the immediately preceding paragraph.

SECTION 5.02. *Successor Entity Substituted.*

Upon any consolidation, combination or merger or any transfer of all or substantially all of the assets of the Company in accordance with the provisions of *Section 5.01*, in which the Company is not surviving or the continuing corporation, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture and the Notes with the same effect as if such surviving entity had been named as such. Upon such substitution, the Company and any Guarantors that remain Subsidiaries of the Company shall be released from their obligations under this Indenture and the Guarantees.

ARTICLE SIX

DEFAULT AND REMEDIES

SECTION 6.01. *Events of Default.* The following events are defined as "*Events of Default*":

(1) the failure to pay interest or Additional Interest, if any, on any Notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal of or premium, if any, on any Notes, when such principal or premium becomes due and payable, at maturity, upon optional redemption, upon required offer to purchase (including a default in payment resulting from the failure to make a required offer to purchase), upon acceleration or otherwise;

(3) a default in the observance or performance of any other covenant or agreement contained in this Indenture (other than the payment of the principal of, or premium, if any, or interest or and Additional Interest, if any, on any Note) or any Collateral Agreement which default continues for a period of 30 days after the Company receives written notice specifying the default (and demanding that such default be remedied) from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes (except in the case of a default with respect to *Section 5.01*, which will constitute an Event of Default with such notice requirement but without such passage of time requirement);

(4) the failure to pay at final maturity (giving effect to any applicable grace periods and any extensions thereof) the principal amount of any Indebtedness of the Company or any Restricted Subsidiary of the Company, or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days from the date of acceleration) if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at final maturity or which has been accelerated (in each case with respect to which the 20-day period described above has elapsed), aggregates $10.0 million or more at any time;

(5) one or more judgments in an aggregate amount in excess of $10.0 million shall have been rendered against the Company or any of its Restricted Subsidiaries (other than any judgment as to which a reputable and solvent third party insurer has not disclaimed coverage) and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable;

(6) the Company, any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary (A) commences a voluntary case or proceeding under any Bankruptcy Code with respect to itself, (B) consents to the entry of an order for relief against it in an involuntary case under any Bankruptcy Code, (C) consents to the appointment of a Custodian of it or for substantially all of its property, (D) makes a general assignment for the benefit of its creditors; or (E) takes any corporate action to authorize or effect any of the foregoing;

(7) a court of competent jurisdiction enters a judgment, decree or order for relief in respect of the Company, any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary in an involuntary case or proceeding under any Bankruptcy Code, which shall (A) approve as properly filed a petition seeking reorganization, arrangement, adjustment or composition in respect of the Company, such Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, (B) appoint a Custodian of the Company, such Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, or for substantially all of its property or (C) order the winding up or liquidation of its affairs; and such judgment, decree or order shall remain unstayed and in effect for a period of sixty (60) days;

(8) the Company or any of the Guarantors, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Collateral Agreement; or

(9) any Guarantee of a Significant Subsidiary or any group of Domestic Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary ceases to be in full force and effect or any Guarantee of a Significant Subsidiary or any group of Domestic Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary is declared by a court of competent jurisdiction to be null and void and unenforceable or any Guarantee of a Significant Subsidiary or any group of Domestic Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary is found by a court of competent jurisdiction to be invalid or any Guarantor denies its liability under its Guarantee (other than by reason of release of a Guarantor in accordance with the terms of this Indenture).

SECTION 6.02. *Acceleration.*

(a) If an Event of Default (other than an Event of Default specified in *Section 6.01(6)* or *(7)* with respect to the Company) shall occur and be continuing and has not been waived, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may declare the principal of and premium, if any, accrued interest and Additional Interest, if any, on all the Notes to be due and payable by notice in writing to the Company and the Trustee specifying the Event of Default and that it is a "notice of acceleration" (the "*Acceleration Notice*"), and the same shall become immediately due and payable.

(b) If an Event of Default specified in *Section 6.01(6)* or *(7)* with respect to the Company occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest and Additional Interest, if any, on all of the outstanding Notes shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(c) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraphs, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal, premium, if any, interest or Additional Interest, if any, that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal and premium, if any, and Additional Interest, if any, which has become due otherwise than by such declaration of acceleration, has been paid or deposited with the Trustee for payment therefor without any restriction on or condition to the application by the Trustee towards such payment;

(4) if the Company has paid the Trustee its compensation and reimbursed the Trustee for its reasonable expenses, disbursements and its advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in *Section 6.01(6)* or *(7)*, the Trustee shall have received an Officers' Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, or interest or

Additional Interest, if any, on the Notes or, subject to the Intercreditor Agreement, to enforce the performance of any provision of the Notes, this Indenture or any of the other Indenture Documents.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee, the Collateral Agent or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

SECTION 6.04. *Waiver of Past Defaults.*

Subject to *Sections 2.09, 6.02(c), 6.07* and *9.02*, the Holders of a majority in principal amount of the Notes may waive any existing Default or Event of Default and its consequences, except (other than as provided in *Section 6.02(c)*) a default in the payment of the principal of or premium, if any, interest, or Additional Interest, if any, on any Notes. When a Default or Event of Default is waived, it is cured and ceases to exist.

SECTION 6.05. *Control by Majority.*

Subject to *Section 2.09*, the Intercreditor Agreement and applicable law, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on the Trustee including, without limitation, any remedies provided for in *Section 6.03*. Subject to *Section 7.01* and *7.02(f)* , however, the Trustee may refuse to follow any direction (which direction, if sent to the Trustee, shall be in writing) that the Trustee, reasonably believes conflicts with any applicable law, the Intercreditor Agreement or any of the other Indenture Documents, that the Trustee determines may be unduly prejudicial to the rights of another Holder, or that may subject the Trustee to personal liability; provided that the Trustee, may take any other action deemed proper by the Trustee which is not inconsistent with such direction (which direction, if sent to the Trustee shall be in writing).

SECTION 6.06. *Limitation on Suits.*

A Holder may not pursue any remedy with respect to this Indenture or the Notes unless:

(1) the Holder gives to the Trustee written notice of a continuing Event of Default;

(2) subject to *Section 2.09*, Holders of at least 25% in principal amount of the outstanding Notes make a written request to the Trustee to institute proceedings in respect of that Event of Default;

(3) such Holders offer to the Trustee indemnity reasonably satisfactory to the Trustee against any loss, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within sixty (60) days after receipt of the request and the offer of indemnity; and

(5) during such sixty (60) day period the Holders of a majority in principal amount of the outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder.

SECTION 6.07. *Rights of Holders to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of, premium, if any, and interest and Additional Interest, if any, on a Note, on or after the

respective due dates expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. *Collection Suit by Trustee or Collateral Agent.*

If an Event of Default specified in *Section 6.01(1)* or *(2)* occurs and is continuing, subject to the Intercreditor Agreement, the Trustee or the Collateral Agent may recover judgment (i) in its own name and (ii)(x) in the case of the Trustee, as trustee of an express trust or (y) in the case of the Collateral Agent, as collateral agent on behalf of each of the Secured Parties, in each case against the Company or any other obligor on the Notes for the whole amount of principal of, premium, if any, and accrued interest and Additional Interest, if any, remaining unpaid on, the Notes, together with interest on overdue principal and, to the extent that payment of such interest is lawful, interest on overdue installments of interest and Additional Interest, if any, at the rate set forth in *Section 4.01* and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent and their respective agents and counsel and any other amounts due any such Person under the Collateral Agreements and *Section 7.07*.

SECTION 6.09. *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, reasonable expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relating to the Company or any other obligor upon the Notes, any of their respective creditors or any of their respective property and, subject to the Intercreditor Agreement, shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the compensation, reasonable expenses, taxes, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due any such Person under the Collateral Agreements and *Section 7.07*. The Company' payment obligations under this *Section 6.09* shall be secured in accordance with the provisions of *Section 7.07*. Nothing herein contained shall be deemed to authorize the Trustee or Collateral Agent to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee or the Collateral Agent, as the case may be, to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. *Priorities.*

If the Trustee collects any money or property pursuant to this *Article Six*, it shall pay out the money or property in the following order:

First: to the Trustee, the Collateral Agent, the Paying Agent and the Registrar for amounts due under *Section 7.07* (including payment of all compensation expense, all liabilities incurred and all advances made by the Trustee or the Collateral Agent, as the case may be, and the costs and expenses of collection);

Second: if the Holders are forced to proceed against the Company directly without the Trustee or the Collateral Agent, to Holders for their collection costs;

Third: to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest and Additional Interest, if any, ratably, without preference or priority of any kind,

according to the amounts due and payable on the Notes for principal, premium, if any, and interest and Additional Interest, if any, respectively; and

Fourth: to the Company or any other obligor on the Notes, as their interests may appear, or as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this *Section 6.10*.

SECTION 6.11. *Undertaking for Costs.*

All parties to this Indenture agree, and each Holder by its acceptance of its Note shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee or the Collateral Agent, as the case may be, for any action taken or omitted by it as Trustee or the Collateral Agent, as the case may be, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This *Section 6.11* does not apply to a suit by the Trustee or the Collateral Agent, as the case may be, a suit by a Holder pursuant to *Section 6.07*, or a suit by a Holder or Holders of more than 10% in principal amount of the outstanding Notes.

SECTION 6.12. *Restoration of Rights and Remedies.*

If the Trustee, the Collateral Agent or any Holder has instituted any proceedings to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, the Collateral Agent or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee, the Collateral Agent and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee, the Collateral Agent and the Holders shall continue as though no such proceeding has been instituted.

ARTICLE SEVEN

TRUSTEE

SECTION 7.01. *Duties of Trustee*.

The duties and responsibilities of the Trustee shall be as provided by the TIA and as set forth herein.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the TIA and the Trustee need perform only those duties as are specifically set forth in this Indenture and no covenants or obligations shall be implied in or read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; *provided, however*, in case of any such certificates or opinions furnished to the Trustee which by the provisions hereof are furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the form requirements of this Indenture.

(c) Notwithstanding anything to the contrary herein contained, the Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(3) this *clause (c)* does not limit the effect of *clause (b)* of this *Section 7.01*;

(4) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(5) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to *Section 6.05*.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability (financial or otherwise). The Trustee shall be under no obligation to exercise any of its rights or powers under this Indenture Documents at the request, order or direction of any Holders unless such Holders have offered to the Trustee security and indemnity reasonably satisfactory to the Trustee against the costs and expenses which may be incurred by it (including repayment of its own funds) in compliance with such request, order or direction.

(e) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to *clauses (a)*, *(b)*, *(c)* and *(d)* of this *Section 7.01*.

(f) The Trustee shall not be liable for interest on any money or assets received by it except as the Trustee may agree in writing with the Company. Money and assets held in trust by the Trustee need not be segregated from other funds or assets held by the Trustee except to the extent required by law.

SECTION 7.02. *Rights of Trustee*.

Subject to *Section 7.01*:

(a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement instrument, opinion, report, request direction, consent, order, bond, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may consult with counsel of its selection and may require an Officers' Certificate or an Opinion of Counsel, or both, which shall conform to *Sections 11.04* and *11.05*. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The written advice of the Trustee's counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action that it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers under this Indenture.

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, upon reasonable notice to the Company, to examine the books, records and premises of the Company, personally or by agent or attorney and to consult with the officers and representatives of the Company, including the Company' accountants and attorneys. Except as expressly stated herein to the contrary, in no event shall the Trustee have any responsibility to ascertain whether there has been compliance with any of the covenants or provisions of *Articles Four* or *Five* hereof.

(f) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(g) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficient if evidenced by a copy of such resolution certified by an Officer of the Company to have been duly adopted and in full force and effect on the date hereof.

(h) The Trustee shall not be deemed to have notice or be charged with knowledge of any Default or Event of Default unless the Trustee shall have received from the Company, any Guarantor or any other obligor upon the Notes or from any Holder written notice thereof at its address set forth in *Section 11.02* hereof, and such notice references the Notes and this Indenture.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any persons authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(k) The permissive right of the Trustee to take any action under this Indenture Documents shall not be construed as a duty to so act.

(l) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. Holders may not enforce this Indenture or the Notes except as provided in this Indenture and under the TIA. The Trustee is under no obligation to exercise any of its rights or powers under this Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee an indemnity or security satisfactory to the Trustee.

(m) In no event shall the Trustee be liable to any Person for special, punitive, indirect, consequential or incidental loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage.

SECTION 7.03. *Individual Rights of Trustee*.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company, any Subsidiary of the Company or their respective Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee must comply with *Sections 7.10* and *7.11* of this Indenture, and the Trustee is subject to TIA Sections 310(b) and 311.

SECTION 7.04. *Trustee's Disclaimer*.

The Trustee makes no representation as to the validity, adequacy or sufficiency of this Indenture, the Notes or the Collateral Agreements, and it shall not be accountable for the Company' use of the proceeds from the Notes, and it shall not be responsible for any statement of the Company in this Indenture, the Notes, the Collateral Agreements or any other documents in connection with the issuance of the Notes other than the Trustee's certificate of authentication, which shall be taken as the statement of Company, and the Trustee assumes no responsibility for their correctness.

Beyond the exercise of reasonable care in the custody thereof and the fulfillment of its obligations under this Indenture and the Collateral Agreements, the Trustee shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Trustee shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property.

The Trustee makes no representations as to and shall not be responsible for the existence, genuineness, value, sufficiency or condition of any of the Collateral or as to the security afforded or intended to be afforded thereby, hereby or by any Collateral Agreement, or for the validity, perfection, priority or enforceability of the Liens or security interests in any of the Collateral created or intended to be created by any of the Collateral Agreements, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Trustee, for the validity or sufficiency of the Collateral, any Collateral Agreements or any agreement or assignment contained in any thereof, for the validity of the title of the Company or any Guarantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral.

SECTION 7.05. *Notice of Default*.

If a Default or an Event of Default occurs and is continuing and if a Trust Officer has actual knowledge or has received written notice from the Company or any Holder, the Trustee shall mail to each Holder, with a copy to the Company, notice of the Default or Event of Default within ninety (90) days thereof. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, or interest and Additional Interest, if any, on, any Note, including an accelerated payment and the failure to make payment on the Change of Control Payment Date pursuant to a Change of Control Offer and, except in the case of a failure to comply with *Article Five*, the Trustee may withhold the notice if and so long as its Board of Directors, the executive committee of its Board of Directors or a committee of its directors and/or Trust Officers in good faith determines that withholding the notice is in the interest of the Holders.

SECTION 7.06. *Reports by Trustee to Holders*.

Within sixty (60) days after each May 15, beginning with May 15, 2011, the Trustee shall, to the extent that any of the events described in TIA Section 313(a) occurred within the previous twelve months, but not otherwise, mail to each Holder a brief report dated as of such date that complies with TIA Section 313(a). The Trustee also shall comply with TIA Sections 313(b) and (c).

A copy of each report at the time of its mailing to Holders shall be mailed to the Company and filed by the Trustee with the SEC and each stock exchange or market, if any, on which the Notes are listed or quoted.

The Company shall promptly notify the Trustee in writing if the Notes become listed or quoted on any stock exchange or market and the Trustee shall comply with TIA Section 313(d) and any delisting thereof.

SECTION 7.07. *Compensation and Indemnity*.

The Company and the Guarantors, jointly and severally, shall pay to the Trustee (the "*Indemnified Party*") from time to time such compensation for its services as Trustee, as the case may be, as shall from time to time be agreed in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Indemnified Party upon request for all reasonable out-of-pocket expenses incurred or made by it in connection with the performance of its duties under, as the case may be, the Indenture Documents. Such expenses shall include the reasonable fees and expenses of the Indemnified Party's agents and counsel.

The Company and the Guarantors, jointly and severally, hereby agree to indemnify the Indemnified Party for, and to hold it harmless against, any loss, cost, claim, liability or expense (including taxes) incurred by of it except for such actions to the extent caused by any negligence, bad faith or willful misconduct on the part of the Indemnified Party, arising out of or in connection with this Indenture Documents, or the administration of this trust, including the reasonable costs and expenses of enforcing this Indenture or the other Indenture Documents against the Company or any Guarantor (including this *Section 7.07*) and defending itself. against any claim or liability in connection with the exercise or performance of any of its rights, powers or duties hereunder or thereunder (including the reasonable fees and expenses of counsel). The Trustee shall notify the Company promptly of any claim asserted against it for which the Trustee may seek indemnity hereunder or under the other Indenture Documents. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. At the Indemnified Party's sole discretion, the Company shall defend the claim and the Indemnified Party shall cooperate and may participate in the defense; *provided* that any settlement of a claim shall be approved in writing by the Indemnified Party, which consent shall not be unreasonably be withheld. Alternatively, the Indemnified Party may at its option have separate counsel of its own choosing and the Company shall pay the reasonable fees and expenses of such counsel; *provided* that the Company shall not be required to pay such fees and expenses if it assumes the Indemnified Party's defense and there is no conflict of interest between the Company and the Indemnified Party in connection with such defense as reasonably determined by the Indemnified Party. The Company need not pay for any settlement made without its written consent, which consent shall not be unreasonably withheld.

To secure the Company's and each Guarantor's payment obligations in this *Section 7.07*, the Indemnified Party shall have a lien prior to the Notes on all Collateral held or collected by the Trustee or the Collateral Agent, in its capacity as such, except assets or money held in trust to pay principal of or interest and Additional Interest, if any, on particular Notes which have been called for redemption.

When an Indemnified Party incurs expenses or renders services after an Event of Default specified in *Section 6.01(6)* or *(7)* occurs, such expenses (including the reasonable fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any Bankruptcy Code.

The obligations of the Company and the Guarantors under this *Section 7.07* shall survive the satisfaction and discharge of this Indenture, termination of the Collateral Agreements or the other Indenture Documents or the resignation or removal of the Trustee, or the Collateral Agent.

The Trustee shall comply with the provisions of TIA Section 312(b)(2) to the extent applicable.

SECTION 7.08. *Replacement of Trustee*.

The Trustee may resign by so notifying the Company. The Holders of a majority in aggregate principal amount of the outstanding Notes may remove the Trustee by so notifying the Company and the Trustee in writing and may appoint a successor Trustee. The Company, by a Board Resolution, may remove the Trustee if:

(1) the Trustee fails to comply with *Section 7.10*;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting with respect to the Notes.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall notify each Holder in writing of such event and shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, trusts, duties and obligations of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such Trustee so ceasing to act hereunder subject nevertheless to its lien, if any, provided for in *Section 7.07*. Upon request of the Company or the successor Trustee, such retiring Trustee shall at the expense of the Company and upon payment of the charges of the Trustee then unpaid, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

If a successor Trustee does not take office within thirty (30) days after the retiring Trustee resigns or is removed, the retiring Trustee, at the Company' expense, the Company or the Holders of at least 10% in principal amount of the outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with *Section 7.10*, any Holder who satisfies the requirements of TIA Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The Company shall give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders in writing. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

SECTION 7.09. *Successor Trustee by Merger, Etc*.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the resulting, surviving or transferee Person without any further act shall, if such resulting, surviving or transferee Person is otherwise eligible hereunder, be the successor Trustee; *provided, however,* that such Person shall be otherwise qualified and eligible under this *Article Seven*.

In case any Notes have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such

authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

SECTION 7.10. *Eligibility; Disqualification.*

This Indenture shall always have a Trustee who satisfies the requirements of TIA Sections 310(a)(1), (2), (3) and (5). The Trustee (or, in the case of a corporation included in a bank holding company system, the related bank holding company) shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. In addition, if the Trustee is a corporation included in a bank holding company system, the Trustee, independently of such bank holding company, shall meet the capital requirements of TIA Section 310(a)(2). The Trustee shall comply with TIA Section 310(b); *provided, however*, that there shall be excluded from the operation of TIA Section 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding if the requirements for such exclusion set forth in TIA Section 310(b)(1) are met. The provisions of TIA Section 310 shall apply to the Company, as obligors of the Notes.

If the Trustee has or acquires a conflicting interest within the meaning of the TIA, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the TIA and this Indenture.

SECTION 7.11. *Preferential Collection of Claims Against Company*.

The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

SECTION 7.12. *Trustee as Paying Agent and Collateral Agent*.

References to the Trustee in *Sections 7.01(f)*, *7.02*, *7.03*, *7.04*, *7.07*, *7.08* and the first paragraph of *Section 7.09* shall include the Trustee in its role as Paying Agent, as Registrar and as Collateral Agent.

SECTION 7.13. *Form of Documents Delivered to Trustee*.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other Persons as to other matters and any such Person may certify or give an opinion as to such matters in one or several documents.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

ARTICLE EIGHT

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 8.01. *Legal Defeasance and Covenant Defeasance*.

(a) The Company may, at its option and at any time, elect to have either *paragraph (b)* or *paragraph (c)* below be applied to the outstanding Notes upon compliance with the applicable conditions set forth in *paragraph (d)*.

(b) Upon the Company's exercise under *paragraph (a)* of the option applicable to this *paragraph (b)*, the Company and the Guarantors shall be deemed to have been released and discharged from their obligations with respect to the outstanding Notes, the Guarantees and the Collateral

Agreements on the date the applicable conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, such Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of the Sections and matters under this Indenture referred to in *clause (i)* and *(ii)* below, and the Company and the Guarantors shall be deemed to have satisfied all their other obligations under such Notes and this Indenture, the Guarantees and the Collateral Agreements, except for the following which shall survive until otherwise terminated or discharged hereunder: (i) the rights of Holders of outstanding Notes to receive solely from the trust fund described in *paragraph (d)* below and as more fully set forth in such paragraph payments in respect of the principal of, premium, if any, interest and Additional Interest, if any, on such Notes when such payments are due, (ii) obligations listed in *Section 8.03*, subject to compliance with this *Section 8.01* and (iii) the rights, powers, trusts, duties and immunities of the Trustee and the Company's obligations in connection therewith. The Company may exercise its option under this *paragraph (b)* notwithstanding the prior exercise of its option under *paragraph (c)* below with respect to the Notes.

(c) Upon the Company's exercise under *paragraph (a)* of the option applicable to this *paragraph (c)*, the Company and its Restricted Subsidiaries shall, subject to the satisfaction of the conditions set forth in paragraph (d) below, be released and discharged from their obligations under any covenant contained in *Sections 4.04* through *4.06*, *Sections 4.08* through *4.22* (provided that the release and discharge of the Company's obligations under *Section 4.22* shall in no way relieve the Company of its obligation to pay any Additional Interest when due and payable) and *Section 5.01(2)*, with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes shall thereafter be deemed to be not "outstanding" for the purpose of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the outstanding Notes and Guarantees, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under *Section 6.01*, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Company's exercise under *paragraph (a)* hereof of the option applicable to this *paragraph (c)* , subject to the satisfaction of the conditions set forth in *paragraph (d)* below, *Sections 6.01(3)* (solely as such section pertains to *Sections 4.04* through *4.06*, *Sections 4.08* through *4.22* (provided that the release and discharge of the Company's obligations under *Section 4.22* shall in no way relieve the Company of its obligation to pay any Additional Interest when due and payable) and *Section 5.01(2)*), and *Sections 6.01(4)* through *Section 6.01(9)* (other than *Sections 6.01(6)* and *6.01(7)*) shall not constitute Events of Default.

(d) The following shall be the conditions to application of either *paragraph (b)* or *paragraph (c)* above to the outstanding Notes:

1. The Company shall have irrevocably deposited in trust with the Trustee, pursuant to an irrevocable trust and security agreement in form satisfactory to the Trustee, U.S. Legal Tender or non-callable U.S. Government Obligations or a combination thereof, in such amounts and at such times as are sufficient, in the opinion of a nationally-recognized firm of independent public accountants, to pay the principal of, and premium, if any, interest and Additional Interest, if any, on the outstanding Notes on the stated date for payment thereof or the applicable Redemption Date, as the case may be; *provided*, *however*, that the Trustee (or other qualifying trustee) shall

have received an irrevocable written order from the Company instructing the Trustee (or other qualifying trustee) to apply such U.S. Legal Tender or the proceeds of such U.S. Government Obligations to said payments with respect to the Notes to maturity or redemption;

2. In the event the Company elects *paragraph (b)* above, the Company shall deliver to the Trustee an Opinion of Counsel in the United States of America to the effect that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders shall not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance contemplated hereby and shall be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

3. in the event the Company elects *paragraph (c)* above, the Company shall deliver to the Trustee an Opinion of Counsel in the United States, to the effect that the Holders shall not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance contemplated hereby and shall be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

4. No Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the failure to comply with *Section 4.08* arising in connection with the borrowing of funds to fund the deposit referenced in clause (1) above and the granting of any Lien securing such borrowing) or insofar as Defaults or Events of Default under *Section 6.01(6)* or *6.01(7)* are concerned, at any time in the period ending on the 91st day after the date of such deposit;

5. Such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default hereunder (other than a Default or Event of Default resulting from the failure to comply with *Section 4.08* arising in connection with the borrowing of funds to fund the deposit referenced in clause (1) above and the granting of any Lien securing such borrowing) or any other material agreement or instrument to which the Company or any of it Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

6. The Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit under *clause (1)* was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others;

7. The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent specified herein relating to the defeasance contemplated by this *Section 8.01* have been complied with; and

8. The Company shall have delivered to the Trustee an Opinion of Counsel (subject to customary qualifications and exclusions) to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940.

Notwithstanding the foregoing, the Opinion of Counsel required by *Section 8.01(d)(2)* above with respect to a Legal Defeasance need not be delivered if all Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable or (2) shall become due and payable on the maturity date within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

In the event all or any portion of the Notes are to be redeemed through such irrevocable trust, the Company must make arrangements satisfactory to the Trustee, at the time of such deposit, for the giving of the notice of such redemption or redemptions by the Trustee in the name and at the expense of the Company.

SECTION 8.02. *Satisfaction and Discharge*.

In addition to the Company's rights under *Section 8.01*, this Indenture (and all Liens on Collateral in connection with the issuance of the Notes) shall be discharged and shall cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all outstanding Notes when:

(1) either:

(a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) are to be called for redemption within one year and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, interest and Additional Interest, if any, on the Notes to the date of such stated maturity or redemption, as the case may be, together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Company has paid all other sums payable under this Indenture and the Collateral Agreements by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

SECTION 8.03. *Survival of Certain Obligations*.

Notwithstanding the satisfaction and discharge of this Indenture and of the Notes referred to in *Section 8.01* or *8.02*, the respective obligations of the Company and the Trustee under *Sections 2.03*, *2.04*, *2.05*, *2.06*, *2.07*, *2.08*, and *2.10*, *Sections 7.07* and *7.08* and *Sections 8.05*, *8.06* and *8.07* shall survive until the Notes are no longer outstanding, and thereafter the obligations of the Company and the Trustee under *Sections 7.07*, *8.04*, *8.05*, *8.06* and *8.07* shall survive.

SECTION 8.04. *Acknowledgment of Discharge by Trustee and Collateral Agent*.

Subject to *Section 8.07*, after (i) the conditions of *Section 8.01* or *8.02* have been satisfied, (ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in *clause (i)* above relating to the satisfaction and discharge of this Indenture have been complied with, the Trustee, upon written request, shall acknowledge in writing the discharge of the Company' obligations under this Indenture except for those surviving obligations specified in *Section 8.03* and the Collateral Agent shall execute and deliver to the Company (at the Company's expense) any document reasonably requested by the Company to effect or evidence any release and discharge of Lien or Collateral Agreement contemplated by *Section 12.05*.

SECTION 8.05. *Application of Trust Moneys*.

The Trustee shall hold any U.S. Legal Tender or U.S. Government Obligations deposited with it in the irrevocable trust established pursuant to *Section 8.01*. The Trustee shall apply the deposited U.S. Legal Tender or the U.S. Government Obligations, together with earnings thereon, through the Paying Agent, in accordance with this Indenture and the terms of the irrevocable trust agreement established pursuant to *Section 8.01*, to the payment of principal of, premium, if any, and interest and Additional Interest, if any, on the Notes. Anything in this *Article Eight* to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the Company' request any U.S. Legal Tender or U.S. Government Obligations held by it as provided in *Section 8.01(d)* which, in the opinion of a nationally-recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to *Section 8.01* or *8.02* or the principal, premium, if any, and interest and Additional Interest, if any, received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of outstanding Notes.

SECTION 8.06. *Repayment to the Company; Unclaimed Money*.

Subject to *Sections 7.07*, *8.01* and *8.02*, the Trustee and the Paying Agent shall promptly pay to the Company upon written request from the Company any excess U.S. Legal Tender or U.S. Government Obligations held by them at any time. Subject to applicable law, the Trustee and the Paying Agent shall pay to the Company, upon receipt by the Trustee or the Paying Agent, as the case may be, of a written request from the Company any money held by it for the payment of principal, premium, if any, or interest and Additional Interest, if any, that remains unclaimed for two years after payment to the Holders is required, without interest thereon; *provided*, *however*, that the Trustee and the Paying Agent before being required to make any payment may, but need not, at the expense of the Company cause to be published once in a newspaper of general circulation in the City of New York or mail to each Holder entitled to such money notice that such money remains unclaimed and that after a date specified therein, which shall be at least thirty (30) days from the date of such publication or mailing, any unclaimed balance of such money then remaining shall be repaid to the Company, without interest thereon. After payment to the Company, Holders entitled to money must look solely to the Company for payment as general creditors unless an applicable abandoned property law designated another Person, and all liability of the Trustee or Paying Agent with respect to such money shall thereupon cease.

SECTION 8.07. *Reinstatement*.

If the Trustee or Paying Agent is unable to apply any U.S. Legal Tender or U.S. Government Obligations in accordance with *Section 8.01* or *8.02* by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and each Guarantor's obligations under this Indenture and each other Indenture Document to which such Person is a party shall be revived and reinstated as though no deposit had occurred pursuant to *Section 8.01* or *8.02* until such time as the Trustee or Paying Agent is permitted to apply all such U.S. Legal Tender or U.S. Government Obligations in accordance with *Section 8.01* or *8.02*; *provided*, *however*, that if the Company have made any payment of premium, if any, or interest and Additional Interest, if any, on or principal of any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE NINE

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. *Without Consent of Holders*.

From time to time, the Company, the Guarantors, the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement, the Collateral Agent, without the consent of the Holders, may amend, modify or supplement this Indenture, the Notes, the Guarantees and the Collateral Agreements:

(1) to cure any ambiguity, defect or inconsistency contained therein;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders in accordance with *Section 5.01*;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights of any such Holder under this Indenture, the Notes, the Guarantees or the Collateral Agreements;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(6) to allow any Subsidiary or any other Person to guarantee the Notes;

(7) to release a Guarantor as permitted by this Indenture and the relevant Guarantee; or

(8) if necessary, in connection with any addition or release of Collateral permitted under the terms of this Indenture or the Collateral Agreements,

so long as such amendment, modification or supplement does not adversely affect the rights of any of the Holders in any material respect. Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amendment or supplement, and upon receipt by the Trustee and the Collateral Agent, as applicable, of the documents described in *Sections 7.02* and *9.06* hereof, the Trustee and the Collateral Agent, as applicable, will join with the Company and the Guarantors in the execution of any amendment or supplement authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained. After an amendment, modification, waiver or supplement under this *Section 9.01* becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, modification, waiver or supplement. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, modification, waiver or supplement or constitute an Event of Default hereunder.

SECTION 9.02. *With Consent of Holders*.

The Company and the Guarantors, when authorized by a Board of Resolution, and the Trustee, or the Collateral Agent, as applicable, together, with the written consent of the Holder or Holders of at least a majority in aggregate principal amount of the outstanding Notes, may amend, modify or supplement this Indenture, the Notes, the Guarantees and the Collateral Agreements without notice ot any other Holders. The Holder or Holders of a majority in aggregate principal amount of the outstanding Notes may waive compliance by the Company with any provision of this Indenture, any Collateral Agreements or the Notes without notice to any other Holder. However, no amendment,

modification, supplement or waiver, including a waiver pursuant to *Section 6.04*, shall (a) without the consent of each Holder of each Note affected thereby:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver of any provision of this Indenture or the Notes;

(2) reduce the rate of or change or have the effect of changing the time for payment of interest (including defaulted interest but excluding Additional Interest) on any Notes;

(3) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption or reduce the Redemption Price therefor;

(4) make any Notes payable in money other than that stated in the Notes;

(5) make any change in provisions of this Indenture protecting the right of each Holder to receive payment of principal of, premium, if any, interest and Additional Interest, if any, on such Note on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default;

(6) amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer after the occurrence of a Change of Control, or make and consummate a Net Proceeds Offer with respect to any Asset Sale that has been consummated or modify any of the provisions or definitions with respect thereto;

(7) subordinate the Notes in right of payment to any other Indebtedness of the Company or any Guarantor;

(8) release any Guarantor from any of its obligations under its Guarantee or this Indenture otherwise than in accordance with the terms of this Indenture;

(9) make any changes to *Section 9.01* or this *Section 9.02*; or

(b) without the consent of the Holders of at least $66^2/_3\%$ in principal amount of the then outstanding Notes issued under this Indenture, release all or substantially all of the Collateral otherwise than in accordance with the terms of this Indenture and the Collateral Agreements.

It shall not be necessary for the consent of the Holders under this *Section 9.02* to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this *Section 9.02* becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

SECTION 9.03. *Compliance with TIA.*

Every amendment, waiver or supplement of this Indenture, the Notes, the Collateral Agreements or the Guarantees shall comply with the TIA as then in effect.

SECTION 9.04. *Revocation and Effect of Consents*.

Until an amendment, waiver or supplement becomes effective (which may be prior to any such amendment, waiver or supplement becoming operative), a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. Subject to the following paragraph, any such Holder or subsequent Holder may revoke the consent as to such Holder's Note or portion of such Note by written notice to the Trustee and the Company

received before the date on which the Trustee and if such amendment, waiver or supplement relates to any Collateral Agreement, the Collateral Agent, receives written consents from the Holders of a requisite percentage in principal amount of the outstanding Notes or receives an Officers' Certificate certifying that the Holders of the requisite principal amount of Notes have consented (and not theretofore revoked such consent) to the amendment, supplement or waiver. An amendment, waiver or supplement shall become effective upon receipt by the Trustee or the Collateral Agent, as the case may be, of written consents from the Holders of the requisite percentage in principal amount of the outstanding Notes or such Officers' Certificate, whichever first occurs, and the execution thereof by the Trustee or the Collateral Agent, as the case may be.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then notwithstanding the last sentence of the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than ninety (90) days after such record date.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it makes a change described in *clauses(a)* or *(b)* of the first paragraph of *Section 9.02*, in which case, the amendment, supplement or waiver shall bind only each Holder of a Note who has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note; *provided* that any such waiver shall not impair or affect the right of any Holder to receive payment of principal of, premium, if any, and interest and Additional Interest, if any, on a Note, on or after the respective due dates expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates without the consent of such Holder.

SECTION 9.05. *Notation on or Exchange of Notes*.

If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder of the Note to deliver the Note to the Trustee. The Trustee at the written direction of the Company may place an appropriate notation on the Note about the changed terms and return it to the Holder and the Trustee may place an appropriate notation on any Note thereafter authenticated. Alternatively, if the Company so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make an appropriate notation, or issue a new Note, shall not affect the validity and effect of such amendment, supplement or waiver. Any such notation or exchange shall be made at the sole cost and expense of the Company. Failure to make the appropriate notation or issue a new Note shall not effect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. *Trustee to Sign Amendments, Etc*.

The Trustee and/or the Collateral Agent, as applicable, shall execute any amendment, supplement or waiver authorized pursuant to this *Article Nine*; *provided* that the Trustee or the Collateral Agent, as the case may be, may, but shall not be obligated to, execute any such amendment, supplement or waiver which adversely affects the rights, duties or immunities of the Trustee or the Collateral Agent, as the case may be, under this Indenture or any Collateral Agreement. The Trustee or the Collateral Agent, as the case may be, shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate each stating that the execution of any amendment, supplement or waiver authorized pursuant to this *Article Nine* is authorized or permitted by this Indenture. Such Opinion of Counsel shall also state that the amendment or supplement is a valid and enforceable obligation of the Company. Such Opinion of Counsel shall not be an expense of the Trustee or the Collateral Agent, as the case may be, and shall be paid for by the Company.

SECTION 9.07. *Conformity with Trust Indenture Act*.

Every supplemental indenture executed pursuant to this *Article Nine* shall conform to the requirements of the TIA as then in effect.

ARTICLE TEN

GUARANTEE

SECTION 10.01. *Guarantee*.

Each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the "*Guarantee*"), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in this Indenture Documents after the occurrence of any Event of Default set forth in *Section 6.01(8)*, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period, whether at stated maturity, by acceleration or otherwise, subject, however, in the case of *clauses (i)* and *(ii)* above, to the limitations set forth in *Section 10.03*. The Guarantee of each Guarantor shall rank senior in right of payment to all subordinated Indebtedness of such Guarantor and equal in right of payment with all other senior obligations of such Guarantor. Each Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes, this Indenture, or any Collateral Agreement, the absence of any action to enforce the same, any waiver or consent by any of the Holders with respect to any provisions hereof or thereof, any release of any other Guarantor, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and in this Guarantee. The obligations of each Guarantor are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, shall result in the obligations of such Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. The net worth of any Guarantor for such purpose shall include any claim of such Guarantor against the Company for reimbursement and any claim against any other Guarantor for contribution. Each Guarantor may consolidate with or merge into or sell its assets to the Company or another Guarantor without limitation in accordance with *Sections 5.01*, *4.11* and *10.04*. If any Holder, the Collateral Agent or the Trustee is required by any court or otherwise to return to the Company, any Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Company or any Guarantor, any amount paid by the

Company or any Guarantor to the Trustee, the Collateral Agent or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Guarantor further agrees that, as between each Guarantor, on the one hand, and the Holders, the Collateral Agent and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in *Article Six* for the purposes of this Guarantee notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in *Article Six*, such obligations (whether or not due and payable) shall forthwith become due and payable by each Guarantor for the purpose of this Guarantee.

SECTION 10.02. *Release of a Guarantor*.

A Guarantor will be automatically and unconditionally released from its Guarantee (and may subsequently dissolve) without any action required on the part of the Trustee or any Holder:

(1) if (a) all of the Capital Stock issued by such Guarantor or all or substantially all of the assets of such Guarantor are sold or otherwise disposed of (including by way of merger or consolidation and, in the case of a sale of Capital Stock, whether directly by transfer of Capital Stock issued by that Guarantor or indirectly by transfer of Capital Stock of other Subsidiaries that, directly or indirectly, own Capital Stock issued by such Guarantor) to a Person other than the Company or any of its Domestic Restricted Subsidiaries or (b) such Guarantor ceases to be a Restricted Subsidiary, and the Company otherwise complies, to the extent applicable, with *Section 4.11*;

(2) if the Company designates such Guarantor as an Unrestricted Subsidiary in accordance with *Section 4.09*;

(3) if the Company exercises its legal defeasance option or its covenant defeasance option as described below under *Section 8.01*; or

(4) upon satisfaction and discharge of this Indenture as described in *Section 8.02* or payment in full in cash of the principal of, and premium, if any, accrued and unpaid interest and Additional Interest, if any, on, the Notes and all other Obligations that are then due and payable.

At the Company's request and expense, the Trustee will execute and deliver an instrument evidencing such release. A Guarantor may also be released from its obligations under its Guarantee in connection with a permitted amendment of this Indenture. Any Guarantor not so released remains liable for the full amount of its Guarantee as provided in this *Article Ten*.

SECTION 10.03. *Limitation of Guarantor's Liability*.

Each Guarantor and, by its acceptance hereof, each of the Holders hereby confirms that it is the intention of all such parties that the guarantee by such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of any Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar Federal or state law. To effectuate the foregoing intention, the Holders and such Guarantor hereby irrevocably agree that the obligations of such Guarantor under the Guarantee shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to *Section 10.05*, result in the obligations of such Guarantor under the Guarantee not constituting such fraudulent transfer or conveyance.

SECTION 10.04. *Guarantors May Consolidate, etc., on Certain Terms*.

Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and this Indenture in connection with any transaction complying with this *Section 10.04* and *Section 4.11*) will not, and the Company will not cause or permit any Guarantor to, consolidate with or merge with or into any Person, other than the Company or any other Guarantor unless:

(1) the entity formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is a corporation or limited liability company organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(2) such entity assumes (a) by supplemental indenture in form attached hereto as *Exhibit F*, executed and delivered to the Trustee, all of the obligations of the Guarantor under the Guarantee and the performance of every covenant of the Guarantee and this Indenture and (b) by amendment, supplement or other instrument executed and delivered to the Trustee and the Collateral Agent, all obligations of the Guarantor under the Collateral Agreements and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity; and

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

This *Section 10.04* will not apply to:

(a) any merger or consolidation of a Guarantor with and into the Company (with the Company being the surviving entity) or another Guarantor or; or

(b) any merger or consolidation of a Guarantor or the Company with an Affiliate organized solely for the purpose of reincorporating such Guarantor or the Company in another jurisdiction in the United States or any state thereof or the District of Columbia.

SECTION 10.05. *Contribution*.

In order to provide for just and equitable contribution among the Guarantors, the Guarantors agree, inter se, that each Guarantor that makes a payment or distribution under a Guarantee shall be entitled to a *pro rata* contribution from each other Guarantor hereunder based on the net assets of each other Guarantor. The preceding sentence shall in no way affect the rights of the Holders to the benefits of this Indenture, the Notes or the Guarantees.

SECTION 10.06. *Waiver of Subrogation*.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

SECTION 10.07. *Waiver of Stay, Extension or Usury Laws*.

Each Guarantor covenants to the extent permitted by law that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive such Guarantor from performing its Guarantee as contemplated herein, wherever enacted, now or at any time hereafter in force; and each Guarantor hereby expressly waives to the extent permitted by law all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted

to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 10.08. *Execution and Delivery of Guarantees*.

Each guarantor hereby agrees that its execution and delivery of this Indenture or any supplemental indenture substantially in the form of *Exhibit F* hereto executed on behalf of such Guarantor by an Officer thereof in accordance with *Section 4.16* hereof shall evidence its Guarantee set forth in this *Article 10* without the need for any further notation on the Notes.

ARTICLE ELEVEN

MISCELLANEOUS

SECTION 11.01. *Trust Indenture Act Controls*.

If any provision of this Indenture limits, qualifies, or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control. Any provision of the TIA which is required to be included in a qualified indenture, but not expressly included herein, shall be deemed to be included by this reference. No past, present or future director, officer, employee, incorporator, or stockholder of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees or this Indenture or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 11.02. *Notices*.

Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by telecopier or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to the Company:

Kratos Defense Systems & Solutions
4820 Eastgate Mall
San Diego, CA 92121
Tel: (858) 812-7300
Fax: (858) 812-7301
Attention: Deanna Lund

if to the Trustee:

Wilmington Trust FSB

CCS-Corporate Capital Markets
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402-1544
Attention: Jane Schweiger
Facsimile No: (612) 217-5651

if to the Collateral Agent:

Wilmington Trust FSB

CCS-Corporate Capital Markets
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402-1544
Attention: Jane Y. Schweiger
Facsimile No: (612) 217-5651

Each of the Company, the Trustee and the Collateral Agent by written notice to each other may designate additional or different addresses for notices to such Person. Any notice or communication to the Company, the Trustee or the Collateral Agent shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if faxed; and five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address or a notice sent by mail to the Trustee shall not be deemed to have been given until actually received by the addressee).

Any notice or communication mailed to a Holder shall be mailed to such Holder by first class mail or other equivalent means at such Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given to such Holder if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event (including any notice of redemption or purchase) to a Holder of a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depositary for such Note (or its designee) pursuant to the standing instructions from such Depositary.

SECTION 11.03. *Communications by Holders with Other Holders*.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture, any Collateral Agreement, any Guarantee or the Notes. The Company, the Trustee, the Collateral Agent, the Registrar and any other Person shall have the protection of TIA Section 312(c).

SECTION 11.04. *Certificate and Opinion as to Conditions Precedent*.

Upon any request or application by the Company or any Guarantor to the Trustee or the Collateral Agent, as the case may be, to take any action under this Indenture, any Collateral Agreement or any other Indenture Document, the Company shall furnish to the Trustee or the Collateral Agent, as the case may be, upon request:

(1) an Officers' Certificate, in form and substance reasonably satisfactory to the Trustee or the Collateral Agent, as the case may be, stating that, in the opinion of the signers, all conditions precedent to be performed by the Company or the applicable Guarantor (as the case may be), if any, provided for in this Indenture, any Collateral Agreement or any other Indenture Document relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent to be performed by the Company or the applicable Guarantor (as the case may be), if any, provided for in this Indenture relating to the proposed action have been complied with.

SECTION 11.05. *Statements Required in Certificate or Opinion*.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture, any Collateral Agreement or any other Indenture Document, other than the Officers' Certificate required by *Section 4.06(1)*, shall include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he has made such examination or investigation as is reasonably necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 11.06. *Rules by Trustee, Paying Agent, Registrar*.

The Trustee may make reasonable rules in accordance with the Trustee's customary practices for action by or at a meeting of Holders. The Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 11.07. *Legal Holidays*.

A "*Legal Holiday*" used with respect to a particular place of payment is a Saturday, a Sunday or a day on which banking institutions in New York, New York or at such place of payment are not required to be open. If a payment date is a Legal Holiday at such place, payment may be made at such place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

SECTION 11.08. *Governing Law*.

THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES, THE GUARANTEES, THE COLLATERAL AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE.

SECTION 11.09. *No Adverse Interpretation of Other Agreements*.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.10. *No Recourse Against Others*.

No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, this Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 11.11. *Successors*.

All agreements of the Company and the Guarantors in this Indenture, the Notes, and the Guarantees shall bind their successors. All agreements of each of the Trustee and the Collateral Agent in this Indenture shall bind their respective successors.

SECTION 11.12. *Duplicate Originals.*

All parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.

SECTION 11.13. *Severability.*

In case any one or more of the provisions in this Indenture, the Notes or in the Guarantees shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

SECTION 11.14. *Waiver of Jury Trial.*

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS INDENTURE, THE NOTES, THE GUARANTEES, THE COLLATERAL AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE.

ARTICLE TWELVE

SECURITY

SECTION 12.01. *Grant of Security Interest.*

(1) The due and punctual payment of the principal of, premium, if any, interest and Additional Interest, if any, on the Notes and amounts due hereunder and under the Guarantees when and as the same shall be due and payable, whether on an Interest Payment Date, by acceleration, purchase, repurchase, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest (to the extent permitted by law), if any, on the Notes and the performance of all other Obligations of the Company and the Guarantors to the Holders or the Trustee under this Indenture, the Collateral Agreements, the Guarantees and the Notes shall be secured as provided in the Collateral Agreements. Notwithstanding anything to the contrary herein, no Collateral shall consist of any Excluded Assets.

(2) Each Holder, by its acceptance of a Note, consents and agrees to the terms of each Collateral Agreement, as the same may be in effect or may be amended from time to time in accordance with its respective terms, and authorizes and directs the Collateral Agent to enter into this Indenture and the Collateral Agreements and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company shall, and shall cause each of its Domestic Restricted Subsidiaries to, do or cause to be done, at its sole cost and expense, all such actions and things as may be required by the provisions of the Collateral Agreements, to assure and confirm to the Collateral Agent the security interests in the Collateral contemplated by the Collateral Agreements, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes and Guarantees secured hereby, according to the intent and purpose herein and therein expressed and subject to the Intercreditor Agreement, including taking all commercially reasonable actions required to cause the Collateral Agreements to create and maintain, as security for the Obligations contained in this Indenture, the Notes, the Collateral Agreements and the Guarantees valid and enforceable,

perfected (to the extent required therein) security interests in and on all the Collateral, in favor of the Collateral Agent, superior to and prior to the rights of all third Persons other than as set forth in the Intercreditor Agreement, and subject to no other Liens, in each case, except as expressly provided herein or therein. If required for the purpose of meeting the legal requirements of any jurisdiction in which any of the Collateral may at the time be located, the Company, the Trustee and the Collateral Agent shall have the power to appoint, and shall take all reasonable action to appoint, one or more Persons approved by the Trustee and reasonably acceptable to the Company to act as co-Collateral Agent with respect to any such Collateral, with such rights and powers limited to those deemed necessary for the Company, the Trustee or the Collateral Agent to comply with any such legal requirements with respect to such Collateral, and which rights and powers shall not be inconsistent with the provisions of this Indenture or any Indenture Document. The Company shall from time to time promptly pay all reasonable financing and continuation statement recording and/or filing fees, charges and taxes relating to this Indenture, the Collateral Agreements and any amendments hereto or thereto and any other instruments of further assurance required pursuant hereto or thereto.

SECTION 12.02. *Opinions.*

The Company shall furnish to the Trustee, at such time as required by TIA Section 314(b) an Opinion of Counsel either (i) stating that, in the opinion of such counsel, this Indenture and the Collateral Agreements, financing statements and fixture filings then executed and delivered, as applicable, and all other instruments of further assurance or amendment then executed and delivered have been properly recorded, registered and filed to the extent necessary to perfect the security interests created by this Indenture and the Collateral Agreements and reciting the details of such action or referring to prior Opinions of Counsel in which such details are given, and stating that as to such Collateral Agreements and such other instruments, such recording, registering and filing are the only recordings, registerings and filings necessary to perfect such security interest and that no re-recordings, re-registerings, or re-filings are necessary to maintain such perfection, and further stating that all financing statements and continuation statements have been filed are necessary fully to preserve and protect the rights of and perfect such security interests of the Trustee for the benefit of itself and the Holders, under the Collateral Agreements or (ii) stating that, in the Opinion of such Counsel, no such action is necessary to perfect any security interest created under this Indenture, the Notes or any of the Collateral Agreements as intended by this Indenture, the Notes or any such Collateral Agreement.

The Company shall furnish to the Trustee and the Collateral Agent (if other than the Trustee), on or within three months of the last day of each fiscal year, commencing on December 31, 2010, an Opinion of Counsel either (i) stating that, in the opinion of such counsel, all action necessary to perfect or continue the perfection of the security interests created by the Collateral Agreements and reciting the details of such action or referring to prior Opinions of Counsel in which such details are given have been taken or (ii) stating that, in the Opinion of such Counsel, no such action is necessary to perfect or continue the perfection of any security interest created under any of the Collateral Agreements.

SECTION 12.03. *Release of Collateral.*

The Collateral Agent shall not at any time release Collateral from the security interests created by the Collateral Agreements unless such release is in accordance with the provisions of this Indenture and the applicable Collateral Agreements.

The release of any Collateral from the terms of the Collateral Agreements shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to this Indenture and the Collateral Agreements. To the extent applicable, the Company shall cause TIA Section 314(d) relating to the release of property from the security interests created by this Indenture and the Collateral Agreements to be complied with. Any certificate or opinion required by TIA Section 314(d) may be made by an Officer of the Company,

except in cases where TIA Section 314(d) requires that such certificate or opinion be made by an independent Person, which Person shall be an independent engineer, appraiser or other expert selected or approved by the Trustee in the exercise of reasonable care. A Person is "independent" if such Person (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in the Company or in any Affiliate of the Company and (c) is not an officer, employee, promoter, underwriter, trustee, partner or director or person performing similar functions to any of the foregoing for the Company. The Trustee shall be entitled to receive and conclusively rely upon a certificate provided by any such Person confirming that such Person is independent within the foregoing definition.

Notwithstanding any provision to the contrary herein, Collateral comprised of accounts receivable, and inventory or the proceeds of the foregoing, or cash shall be subject to release upon sales of such inventory, collection of the proceeds of such accounts receivable, and withdrawals of cash from the Company's deposit accounts in the ordinary course of business. If requested in writing by the Company, the Trustee shall instruct the Collateral Agent to execute and deliver such documents, instruments or statements and to take such other action as the Company may request to evidence or confirm that the Collateral falling under this *Section 12.03* has been released from the Liens of each of the Collateral Agreements.

SECTION 12.04. *Specified Releases of Collateral.*

Subject to *Section 12.03*, Collateral may be released from the Lien and security interest created by the Collateral Agreements at any time or from time to time in accordance with the provisions of the Collateral Agreements, or as provided hereby. Upon the request of the Company pursuant to an Officers' Certificate certifying that all conditions precedent hereunder have been met and without the consent of any Holder, the Company and the Guarantors will be entitled to releases of assets included in the Collateral from the Liens securing the obligations under the Notes and the Guarantees under any one or more of the following circumstances:

(1) to enable the Company (or a Guarantor) to consummate asset sales or dispositions that are not Asset Sales or that are Asset Sales permitted under *Section 4.11*;

(2) with the consent of the Holders of at least $66^{2}/_{3}\%$ in principal amount of the then outstanding Notes pursuant to *Section 9.02*;

(3) if any Subsidiary that is a Guarantor is released from its Guarantee in accordance with the terms of this Indenture, such Subsidiary's assets will also be released; or

(4) if such release is required under any of the Collateral Agreements.

Upon receipt of such Officers' Certificate and any necessary or proper instruments of termination, satisfaction or release prepared by the Company, the Collateral Agent shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Collateral Agreements.

SECTION 12.05. *Release upon Satisfaction or Defeasance of All Outstanding Obligations.*

The Liens on, and pledges of, all Collateral will also be terminated and released upon (i) payment in full of the principal of, premium, if any, on, and accrued and unpaid interest and Additional Interest, if any, on the Notes and all other Obligations hereunder, the Guarantees and the Collateral Agreements that are due and payable at or prior to the time such principal, premium, if any, and accrued and unpaid interest and Additional Interest, if any, are paid, (ii) a satisfaction and discharge of this Indenture as described above under *Section 8.02* and (iii) the occurrence of a Legal Defeasance or Covenant Defeasance as described above under *Section 8.01*.

SECTION 12.06. *Form and Sufficiency of Release.*

In the event that the Company or any Guarantor has sold, exchanged, or otherwise disposed of or proposes to sell, exchange or otherwise dispose of any portion of the Collateral that may be sold, exchanged or otherwise disposed of by such Company or such Guarantor, and such Company or such Guarantor requests in writing the Collateral Agent to furnish a written disclaimer, release or quit-claim of any interest in such property under this Indenture and the Collateral Agreements, the Collateral Agent shall execute, acknowledge and deliver to the Company or such Guarantor (in proper form prepared by the Company or such Guarantor) such an instrument promptly after satisfaction of the conditions set forth herein for delivery of any such release. Notwithstanding the preceding sentence, all purchasers and grantees of any property or rights purporting to be released herefrom shall be entitled to rely upon any release executed by the Collateral Agent hereunder as sufficient for the purpose of this Indenture and as constituting a good and valid release of the property therein described from the Lien of this Indenture or of the Collateral Agreements.

SECTION 12.07. *Purchaser Protected.*

No purchaser or grantee of any property or rights purporting to be released herefrom shall be bound to ascertain the authority of the Trustee or the Collateral Agent to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Indenture to be sold or otherwise disposed of by the Company be under any obligation to ascertain or inquire into the authority of the Company to make such sale or other disposition.

SECTION 12.08. *Authorization of Actions to Be Taken by the Collateral Agent Under the Collateral Agreements.*

Wilmington Trust FSB is hereby appointed Collateral Agent. Subject to the provisions of the applicable Collateral Agreements, each Holder, by acceptance of its Note(s) agrees that (a) the Collateral Agent shall execute and deliver the Collateral Agreements and act in accordance with the terms thereof, (b) the Collateral Agent may, in its sole discretion and without the consent of the Trustee or the Holders, take all actions it deems necessary or appropriate in order to (i) enforce any of the terms of the Collateral Agreements and (ii) collect and receive any and all amounts payable in respect of the Obligations of the Company and the Guarantors hereunder and under the Notes, the Guarantees and the Collateral Agreements and (c) to the extent permitted by this Indenture, the Collateral Agent shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any act that may be unlawful or in violation of the Collateral Agreements or this Indenture, and suits and proceedings as the Collateral Agent may deem expedient to preserve or protect its interests and the interests of the Trustee and the Holders in the Collateral (including the power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest thereunder or be prejudicial to the interests of the Collateral Agent, the Holders or the Trustee). Notwithstanding the foregoing, the Collateral Agent may, at the expense of the Company, request the direction of the Holders with respect to any such actions and upon receipt of the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Notes, shall take such actions; *provided* that all actions so taken shall, at all times, be in conformity with the requirements of the Intercreditor Agreement.

SECTION 12.09. *Authorization of Receipt of Funds by the Trustee Under the Collateral Agreements.*

The Collateral Agent is authorized to receive any funds for the benefit of itself, the Trustee and the Holders distributed under the Collateral Agreements and to the extent not prohibited under the Intercreditor Agreement, for turnover to the Trustee to make further distributions of such funds to

itself, the Trustee and the Holders in accordance with the provisions of *Section 6.10* and the other provisions of this Indenture.

SECTION 12.10. *Intercreditor Agreement.*

This *Article Twelve* and the Collateral Agreements are subject to the terms, limitations and conditions set forth in the Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Indenture and the Collateral Agreements and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Indenture with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first written above.

KRATOS DEFENSE SYSTEMS & SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

AI METRIX, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DEFENSE SYSTEMS, INCORPORATED

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DIGITAL FUSION SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DIGITAL FUSION, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DTI ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HAVERSTICK CONSULTING, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HAVERSTICK GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HGS HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

JMA ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS COMMERCIAL SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS MID-ATLANTIC, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS SOUTHEAST, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS SOUTHWEST, L.P.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS TEXAS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

MADISON RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

POLEXIS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

REALITY BASED IT SERVICES, LTD.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

ROCKET SUPPORT SERVICES, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW I, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW II, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW III, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SUMMIT RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SYS

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

WFI NMC CORP.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

CHARLESTON MARINE CONTAINERS INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DALLASTOWN REALTY I, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DALLASTOWN REALTY II, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER SYSTEMS GROUP, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER SYSTEMS INTERNATIONAL, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

WILMINGTON TRUST FSB, as Trustee and Collateral Agent

By: /s/ Jane Schweiger

Name: Jane Schweiger
Title: Vice President

EXHIBIT A

[FORM OF INITIAL NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (C) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS SIX MONTHS AFTER THE LATER OF THE ORIGINAL DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE THEREOF WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S OR REGISTRAR'S, AS APPLICABLE, RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E) AND (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE OR REGISTRAR.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

10% SENIOR SECURED NOTES DUE 2017

CUSIP No.
No. $

Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), for value received promises to pay to Cede & Co., or registered assigns, the principal sum of DOLLARS ($) on June 1, 2017.

Interest Rate: 10%.

Interest Payment Dates: June 1 and December 1, commencing December 1, 2010.

Record Dates: May 15 and November 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: _____

Name:
Title:

Dated:

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the 10% Senior Secured Notes due 2017 referred to in the within-mentioned Indenture.

WILMINGTON TRUST FSB, as Trustee

Dated: By: _____

Authorized Signatory

10% Senior Secured Note due 2017

1. *Interest.* Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing December 1, 2010. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Company shall pay interest on overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or (7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws) at 1% per annum in excess of the rate per annum set forth in the Notes (the "*Default Rate*"), and it shall pay interest on overdue installments of interest and Additional Interest, if any, at the same Default Rate to the extent lawful.

2. *Method of Payment.* The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("*U.S. Legal Tender*"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company shall deliver any such interest payment to the Paying Agent for delivery to a Holder at the Holder's registered address.

3. *Paying Agent and Registrar.* Initially, Wilmington Trust FSB (the "*Trustee*") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. *Indenture.* The Notes were issued under an Indenture, dated as of May 19, 2010 (the "*Indenture*"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "*TIA*"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein.

5. *Redemption.*

(a) *Optional Redemption on or after June 1, 2014.* Except as described in *Sections 5(b)* and *5(c)* below, the Notes are not redeemable before June 1, 2014. At any time on or after June 1, 2014, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing

on June 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2014	105.000%
2015	102.500%
2016 and each year thereafter	100.000%

(b) *Optional Redemption Upon Equity Offerings.* At any time, or from time to time, on or prior to June 1, 2013, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 110% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such redemption; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) *Optional Redemption Prior to June 1, 2014.* At any time prior to June 1, 2014, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the Redemption Date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) *Notice of Redemption.* Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to the Trustee and to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, *provided* that no Notes of a principal amount of $2,000 or less shall be redeemed in part; and *provided*, *further*, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $2,000 or an integral multiple of $1,000 in excess thereof may be redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) *Mandatory Redemption.* The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. *Offers to Purchase.* Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

7. *Registration Rights.* Pursuant to the Registration Rights Agreement among the Company, the Guarantors party thereto and the Initial Purchasers of the Initial Notes, the Company will be obligated to consummate an exchange offer. Upon such exchange offer, the Holders of the Initial Notes shall have the right, subject to compliance with securities laws, to exchange such Initial Notes for 10% Senior Secured Notes due 2017, which have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to the Initial Notes. The Holders of the Initial Notes shall be entitled to receive certain additional interest payments in the event such exchange offer is not consummated and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.

8. *Denominations; Transfer; Exchange.* The Notes are in registered form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

9. *Persons Deemed Owners.* The registered Holder of a Note shall be treated as the owner of it for all purposes.

10. *Unclaimed Money.* Subject to applicable law, if money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. *Discharge Prior to Redemption or Maturity.* If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due from the deposits referred to above.

12. *Amendment; Supplement; Waiver.* Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

13. *Restrictive Covenants.* The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or issue Preferred Stock, grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

14. *Successors.* When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

15. *Defaults and Remedies.* If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest and except in case of a failure to comply with Article Five of the Indenture) if it determines that withholding notice is in their interest.

16. *Trustee Dealings with Company.* Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

17. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

18. *Guarantee.* Subject to the terms and conditions of Article Ten of the Indenture, payment of principal, interest and Additional Interest, if any (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

19. *Intercreditor Agreement.* Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreement and all such replacement Intercreditor Agreement and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to the Indenture, this Note and the Collateral Agreements and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Note with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

20. *Authentication.* This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

21. *Governing Law.* THIS NOTE, THE GUARANTEES, THE INDENTURE, AND THE COLLATERAL AGREEMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

22. *Waiver of Jury Trial.* Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

23. *Security.* The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

24. *Abbreviations and Defined Terms.* Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

25. *CUSIP Numbers.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Kratos Defense & Security Solutions, Inc., 4820 Eastgate Mall, San Diego, C.A. 92121.

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint _____

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "*Securities Act*"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) November 19, 2011, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

(1) _____ to the Company or a subsidiary thereof; or

(2) _____ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) _____ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) _____ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) _____ pursuant to the exemption from registration provided by Rule 144 under the Securities Act; or

(6) _____ pursuant to an effective registration statement under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided* that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has

reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 [ ]

Section 4.11 [ ]

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $2,000 or integral multiples of $1,000 in excess thereof, except if you have elected to have all of your Notes purchased):

$ _____

Dated: _____ Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser's bank or broker.

Social Security or

Tax ID No : _____

Signature Guarantee: _____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of an interest in this Global Note for an interest in another Global Note or for a Physical Note, or exchanges of an interest in another Global Note or a Physical Note for an interest in this Global Note, have been made:

	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease or Increase	Signature of Authorized Officer of Trustee or Note Custodian
Date of Exchange				

EXHIBIT B

[FORM OF EXCHANGE NOTE]

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

10% SENIOR SECURED NOTES DUE 2017

CUSIP No.
No. $

Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), for value received promise to pay to Cede & Co., or registered assigns, the principal sum of DOLLARS ($) on June 1, 2017.

Interest Rate: 10%.

Interest Payment Dates: June 1 and December 1, commencing December 1, 2010.

Record Dates: May 15 and November 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: _____

Name:
Title:

Dated:

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the 10% Senior Secured Notes due 2017 referred to in the within-mentioned Indenture.

WILMINGTON TRUST FSB, as Trustee

Dated: By: _____

Authorized Signatory

(REVERSE OF NOTE)

10% Senior Secured Note due 2017

1. *Interest.* Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successor entity), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing December 1, 2010. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Company shall pay interest on overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or (7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws) at 1% per annum in excess of the rate per annum set forth in the Notes (the "*Default Rate*"), and it shall pay interest on overdue installments of interest at the same Default Rate to the extent lawful.

2. *Method of Payment.* The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("*U.S. Legal Tender*"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company shall deliver any such interest payment to the Paying Agent for delivery to a Holder at the Holder's registered address.

3. *Paying Agent and Registrar.* Initially, Wilmington Trust FSB (the "*Trustee*") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. *Indenture.* The Notes were issued under an Indenture, dated as of May 19, 2010 (the "*Indenture*"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "*TIA*"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein.

5. *Redemption*.

(a) *Optional Redemption on or after June 1, 2014.* Except as described in *Sections 5(b)* and *5(c)* below, the Notes are not redeemable before June 1, 2014. At any time on or after June 1, 2014, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing

on June 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest thereon to the Redemption Date:

Year	Percentage
2014	105.000%
2015	102.500%
2016 and each year thereafter	100.000%

(b) *Optional Redemption Upon Equity Offerings.* At any time, or from time to time, on or prior to June 1, 2013, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 110% of the aggregate principal amount thereof, plus accrued and unpaid interest to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such redemption; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) *Optional Redemption Prior to June 1, 2014.* At any time prior to June 1, 2014, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued and unpaid interest to the Redemption Date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) *Notice of Redemption.* Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to the Trustee and to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, *provided* that no Notes of a principal amount of $2,000 or less shall be redeemed in part; and *provided*, *further*, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $2,000 or an integral multiple of $1,000 in excess thereof more may be redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

6. *Mandatory Redemption.* The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

7. *Offers to Purchase.* Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained

therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

8. *Denominations; Transfer; Exchange.* The Notes are in registered form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

9. *Persons Deemed Owners.* The registered Holder of a Note shall be treated as the owner of it and the Notes for all purposes.

10. *Unclaimed Money.* Subject to applicable law, if money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. *Discharge Prior to Redemption or Maturity.* If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, and interest on the Notes when such payments are due from the deposits referred to above.

12. *Amendment; Supplement; Waiver.* Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

13. *Restrictive Covenants.* The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or issue Preferred Stock, grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

14. *Successors.* When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

15. *Defaults and Remedies.* If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest) if it determines that withholding notice is in their interest.

16. *Trustee Dealings with Company.* Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

17. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, this Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

18. *Guarantee.* Subject to the terms and conditions of Article Ten of the Indenture, payment of principal and interest (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

19. *Intercreditor Agreement.* Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreement and all such replacement Intercreditor Agreement and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to the Indenture, this Note and the Collateral Agreements and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Note with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

20. *Authentication.* This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

21. *Governing Law.* THIS NOTE, THE GUARANTEES, THE INDENTURE, AND THE COLLATERAL AGREEMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

22. *Waiver of Jury Trial.* Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

23. *Security.* The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

24. *Abbreviations and Defined Terms.* Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

25. *CUSIP Numbers.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Kratos Defense & Security Solutions, Inc., 4820 Eastgate Mall, San Diego, C.A. 92121.

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint _____

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 [ ]

Section 4.11 [ ]

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $2,000 or an integral multiple of $1,000 in excess thereof, except if you have elected to have all of your Notes purchased):

$ _____

Dated: _____ Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser's bank or broker.

Social Security or

Tax ID No : _____

Signature Guarantee: _____

EXHIBIT C

[FORM OF LEGEND FOR GLOBAL NOTES]

Any Global Note authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "*DEPOSITORY*"), TO THE COMPANY OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXHIBIT D

Form of Certificate To Be
Delivered in Connection with
Transfers to Non-QIB Accredited Investors

,

Wilmington Trust FSB
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402-1544
Attn: Jane Y. Schweiger

Re: *10% Senior Secured Notes due 2017 (the "Notes")* of Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*," which term includes any successor entity)

Ladies and Gentlemen:

In connection with our proposed purchase of $ aggregate principal amount of the Notes, we confirm that:

1. We have received a copy of the Offering Circular (the "*Offering Circular*"), dated May 12, 2010, relating to the Notes and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agreed to the matters stated in the section entitled "Notice to Investors" of the Offering Circular.

2. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of May 19, 2010 relating to the Notes (the "*Indenture*") and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "*Securities Act*").

3. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell or otherwise transfer any Notes prior to the date which is within six months after the original issuance of the Notes or the last date on which the Note is owned by the Company or any affiliate of the Company, we will do so only (i) to the Company or any of its subsidiaries, (ii) inside the United States in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), (iii) inside the United States to an institutional "accredited investor" (as defined below) provided that, prior to such transfer, the transferee furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes, substantially in the form of this letter, (iv) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (v) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (vi) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

4. We are not acquiring the Notes for or on behalf of, and will not transfer the Notes to, any pension or welfare plan (as defined in Section 3 of the Employee Retirement Income Security Act of 1974), except as permitted in the section entitled "Notice to Investors" of the Offering Circular.

5. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certification, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investment, as the case may be.

7. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

8. We are not acquiring Notes with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; provided that the disposition of our property and the property of any accounts for which we are acting as fiduciary shall remain at all times within our and their control.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby, and we agree to notify you promptly if any of our representations or warranties herein cease to be accurate and complete.

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

Very truly yours,

[Name of Transferee]

By: _____

Authorized Signature

EXHIBIT E

Form of Certificate To Be
Delivered in Connection with
Transfers Pursuant to Regulation S

Wilmington Trust FSB
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402-1544
Attn: [Jane Y. Schweiger]

Re: 10% Senior Secured Notes due 2017 (the "*Notes*") of Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*," which term includes any successor entity)

Ladies and Gentlemen:

In connection with our proposed sale of $ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, we represent that:

1. the offer of the Notes was not made to a person in the United States;

2. either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

3. no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

4. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

5. we have advised the transferee of the transfer restrictions applicable to the Notes.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferee]

By: _____

Authorized Signature

EXHIBIT F

FORM OF SUPPLEMENTAL INDENTURE

TO BE DELIVERED BY GUARANTORS

Supplemental Indenture (this "*Supplemental Indenture*"), dated as of , among the parties identified in the signature page of this Supplemental Indenture as a Guaranteeing Subsidiary (each a "*Guaranteeing Subsidiary*") of the Company, and Wilmington Trust FSB, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "Issuer") has heretofore executed and delivered to the Trustee an indenture (the "*Indenture*"), dated as of May 19, 2010 providing for the issuance of 10% Senior Secured Notes due 2017 (the "*Notes*");

WHEREAS, Section 4.16 of the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture and a Guarantee pursuant to which any newly-acquired or created Guarantor shall unconditionally guarantee all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth therein and herein and in such Guarantee; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and delivery this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. *Capitalized Terms.* Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. *Joinder to Indenture.* Each of the Guaranteeing Subsidiaries hereby agree to become bound by the terms, conditions and other provisions of the Indenture with all attendant rights, duties and obligations stated therein, with the same force and effect as if originally named as a Guarantor therein and as if such Guaranteeing Subsidiary executed the Indenture on the date thereof.

3. *Agreement to Guarantee.* Each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally, unconditionally and irrevocably guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the "*Guarantee*"), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or 6.01(7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period,

whether at stated maturity, by acceleration or otherwise, subject, however, in the case of *clauses (i)* and *(ii)* above, to the limitations set forth in Section 10.03 of the Indenture.

The obligations of each Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Supplemental Indenture and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to such Indenture for the precise terms of the Guarantee.

No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation.

The Guarantee executed and delivered hereby is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Company's obligations under the Notes and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collectibility.

The obligations of each Guaranteeing Subsidiary under its Subsidiary Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE TEN OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

4. *GOVERNING LAW.* THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

5. *Counterparts.* The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction hereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date written below.

GUARANTEEING SUBSIDIARIES:

[ ]

By: _____

Name:
Title:

THE TRUSTEE:

Wilmington Trust FSB, as Trustee

By: _____

Name:
Title:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "*DEPOSITORY*"), TO THE COMPANY OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (C) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS SIX MONTHS AFTER THE LATER OF THE ORIGINAL DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE THEREOF WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S OR

REGISTRAR'S, AS APPLICABLE, RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E) AND (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE OR REGISTRAR.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

10% SENIOR SECURED NOTES DUE 2017

CUSIP No. 50077B AA6
No. A-1 $219,645,000

Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), for value received promises to pay to Cede & Co., or registered assigns, the principal sum of TWO HUNDRED NINETEEN MILLION SIX HUNDRED FORTY FIVE THOUSAND DOLLARS ($219,645,000) on June 1, 2017.

Interest Rate: 10%.

Interest Payment Dates: June 1 and December 1, commencing December 1, 2010.

Record Dates: May 15 and November 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: _____

Name:
Title:

Dated: May 19, 2010

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the 10% Senior Secured Notes due 2017 referred to in the within-mentioned Indenture.

WILMINGTON TRUST FSB, as Trustee

Dated: May 19, 2010 By: _____

Authorized Signatory

(REVERSE OF NOTE)

10% Senior Secured Note due 2017

1. *Interest.* Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing December 1, 2010. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Company shall pay interest on overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or (7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws) at 1% per annum in excess of the rate per annum set forth in the Notes (the "*Default Rate*"), and it shall pay interest on overdue installments of interest and Additional Interest, if any, at the same Default Rate to the extent lawful.

2. *Method of Payment.* The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("*U.S. Legal Tender*"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company shall deliver any such interest payment to the Paying Agent for delivery to a Holder at the Holder's registered address.

3. *Paying Agent and Registrar.* Initially, Wilmington Trust FSB (the "*Trustee*") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. *Indenture.* The Notes were issued under an Indenture, dated as of May 19, 2010 (the "*Indenture*"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "*TIA*"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein.

5. *Redemption.*

(a) *Optional Redemption on or after June 1, 2014.* Except as described in *Sections 5(b)* and *5(c)* below, the Notes are not redeemable before June 1, 2014. At any time on or after June 1, 2014, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing

on June 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2014	105.000%
2015	102.500%
2016 and each year thereafter	100.000%

(b) *Optional Redemption Upon Equity Offerings.* At any time, or from time to time, on or prior to June 1, 2013, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 110% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such redemption; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) *Optional Redemption Prior to June 1, 2014.* At any time prior to June 1, 2014, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the Redemption Date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) *Notice of Redemption.* Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to the Trustee and to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, *provided* that no Notes of a principal amount of $2,000 or less shall be redeemed in part; and *provided*, *further*, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $2,000 or an integral multiple of $1,000 in excess thereof may be redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) *Mandatory Redemption.* The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. *Offers to Purchase.* Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained

therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

7. *Registration Rights.* Pursuant to the Registration Rights Agreement among the Company, the Guarantors party thereto and the Initial Purchasers of the Initial Notes, the Company will be obligated to consummate an exchange offer. Upon such exchange offer, the Holders of the Initial Notes shall have the right, subject to compliance with securities laws, to exchange such Initial Notes for 10% Senior Secured Notes due 2017, which have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to the Initial Notes. The Holders of the Initial Notes shall be entitled to receive certain additional interest payments in the event such exchange offer is not consummated and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.

8. *Denominations; Transfer; Exchange.* The Notes are in registered form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

9. *Persons Deemed Owners.* The registered Holder of a Note shall be treated as the owner of it for all purposes.

10. *Unclaimed Money.* Subject to applicable law, if money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. *Discharge Prior to Redemption or Maturity.* If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due from the deposits referred to above.

12. *Amendment; Supplement; Waiver.* Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

13. *Restrictive Covenants.* The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or issue Preferred Stock, grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations

are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

14. *Successors.* When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

15. *Defaults and Remedies.* If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest and except in case of a failure to comply with Article Five of the Indenture) if it determines that withholding notice is in their interest.

16. *Trustee Dealings with Company.* Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

17. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

18. *Guarantee.* Subject to the terms and conditions of Article Ten of the Indenture, payment of principal, interest and Additional Interest, if any (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

19. *Intercreditor Agreement.* Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreement and all such replacement Intercreditor Agreement and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to the Indenture, this Note and the Collateral Agreements and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Note with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

20. *Authentication.* This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

21. *Governing Law.* THIS NOTE, THE GUARANTEES, THE INDENTURE, AND THE COLLATERAL AGREEMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

22. *Waiver of Jury Trial.* Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

23. *Security.* The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

24. *Abbreviations and Defined Terms.* Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

25. *CUSIP Numbers.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Kratos Defense & Security Solutions, Inc., 4820 Eastgate Mall, San Diego, C.A. 92121.

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint _____

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "*Securities Act*"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) November 19, 2011, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

(1) _____ to the Company or a subsidiary thereof; or

(2) _____ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) _____ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) _____ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) _____ pursuant to the exemption from registration provided by Rule 144 under the Securities Act; or

(6) _____ pursuant to an effective registration statement under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided* that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 [ ]

Section 4.11 [ ]

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $2,000 or integral multiples of $1,000 in excess thereof, except if you have elected to have all of your Notes purchased):

$ _____

Dated: _____ Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser's bank or broker.

Social Security or

Tax ID No : _____

Signature Guarantee: _____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of an interest in this Global Note for an interest in another Global Note or for a Physical Note, or exchanges of an interest in another Global Note or a Physical Note for an interest in this Global Note, have been made:

	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease or Increase	Signature of Authorized Officer of Trustee or Note Custodian
Date of Exchange				

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "*DEPOSITORY*"), TO THE COMPANY OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (C) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS SIX MONTHS AFTER THE LATER OF THE ORIGINAL DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE THEREOF WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S OR

REGISTRAR'S, AS APPLICABLE, RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E) AND (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE OR REGISTRAR.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

10% SENIOR SECURED NOTES DUE 2017

CUSIP No. U50103 AA5
No. B-1 $5,355,000

Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), for value received promises to pay to Cede & Co., or registered assigns, the principal sum of FIVE MILLION THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS ($5,335,000) on June 1, 2017.

Interest Rate: 10%.

Interest Payment Dates: June 1 and December 1, commencing December 1, 2010.

Record Dates: May 15 and November 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: _____

Name:
Title:

Dated: May 19, 2010

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the 10% Senior Secured Notes due 2017 referred to in the within-mentioned Indenture.

WILMINGTON TRUST FSB, as Trustee

Dated: May 19, 2010 By: _____

Authorized Signatory

(REVERSE OF NOTE)

10% Senior Secured Note due 2017

1. *Interest.* Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing December 1, 2010. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Company shall pay interest on overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or (7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws) at 1% per annum in excess of the rate per annum set forth in the Notes (the "*Default Rate*"), and it shall pay interest on overdue installments of interest and Additional Interest, if any, at the same Default Rate to the extent lawful.

2. *Method of Payment.* The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("*U.S. Legal Tender*"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company shall deliver any such interest payment to the Paying Agent for delivery to a Holder at the Holder's registered address.

3. *Paying Agent and Registrar.* Initially, Wilmington Trust FSB (the "*Trustee*") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. *Indenture.* The Notes were issued under an Indenture, dated as of May 19, 2010 (the "*Indenture*"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "*TIA*"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein.

5. *Redemption.*

(a) *Optional Redemption on or after June 1, 2014.* Except as described in *Sections 5(b)* and *5(c)* below, the Notes are not redeemable before June 1, 2014. At any time on or after June 1, 2014, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing

on June 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2014	105.000%
2015	102.500%
2016 and each year thereafter	100.000%

(b) *Optional Redemption Upon Equity Offerings.* At any time, or from time to time, on or prior to June 1, 2013, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 110% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such redemption; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) *Optional Redemption Prior to June 1, 2014.* At any time prior to June 1, 2014, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the Redemption Date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) *Notice of Redemption.* Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to the Trustee and to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, *provided* that no Notes of a principal amount of $2,000 or less shall be redeemed in part; and *provided*, *further*, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $2,000 or an integral multiple of $1,000 in excess thereof may be redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) *Mandatory Redemption.* The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. *Offers to Purchase.* Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained

therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

7. *Registration Rights.* Pursuant to the Registration Rights Agreement among the Company, the Guarantors party thereto and the Initial Purchasers of the Initial Notes, the Company will be obligated to consummate an exchange offer. Upon such exchange offer, the Holders of the Initial Notes shall have the right, subject to compliance with securities laws, to exchange such Initial Notes for 10% Senior Secured Notes due 2017, which have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to the Initial Notes. The Holders of the Initial Notes shall be entitled to receive certain additional interest payments in the event such exchange offer is not consummated and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.

8. *Denominations; Transfer; Exchange.* The Notes are in registered form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

9. *Persons Deemed Owners.* The registered Holder of a Note shall be treated as the owner of it for all purposes.

10. *Unclaimed Money.* Subject to applicable law, if money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. *Discharge Prior to Redemption or Maturity.* If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due from the deposits referred to above.

12. *Amendment; Supplement; Waiver.* Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

13. *Restrictive Covenants.* The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or issue Preferred Stock, grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations

are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

14. *Successors.* When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

15. *Defaults and Remedies.* If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest and except in case of a failure to comply with Article Five of the Indenture) if it determines that withholding notice is in their interest.

16. *Trustee Dealings with Company.* Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

17. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

18. *Guarantee.* Subject to the terms and conditions of Article Ten of the Indenture, payment of principal, interest and Additional Interest, if any (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

19. *Intercreditor Agreement.* Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreement and all such replacement Intercreditor Agreement and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to the Indenture, this Note and the Collateral Agreements and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Note with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

20. *Authentication.* This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

21. *Governing Law.* THIS NOTE, THE GUARANTEES, THE INDENTURE, AND THE COLLATERAL AGREEMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

22. *Waiver of Jury Trial.* Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

23. *Security.* The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

24. *Abbreviations and Defined Terms.* Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

25. *CUSIP Numbers.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Kratos Defense & Security Solutions, Inc., 4820 Eastgate Mall, San Diego, C.A. 92121.

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint _____

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "*Securities Act*"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) November 19, 2011, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

(1) _____ to the Company or a subsidiary thereof; or

(2) _____ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) _____ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) _____ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) _____ pursuant to the exemption from registration provided by Rule 144 under the Securities Act; or

(6) _____ pursuant to an effective registration statement under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided* that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the

conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 [ ]

Section 4.11 [ ]

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $2,000 or integral multiples of $1,000 in excess thereof, except if you have elected to have all of your Notes purchased):

$ _____

Dated: _____ Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser's bank or broker.

Social Security or

Tax ID No : _____

Signature Guarantee: _____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of an interest in this Global Note for an interest in another Global Note or for a Physical Note, or exchanges of an interest in another Global Note or a Physical Note for an interest in this Global Note, have been made:

	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease or Increase	Signature of Authorized Officer of Trustee or Note Custodian
Date of Exchange				

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "*DEPOSITORY*"), TO THE COMPANY OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (C) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS SIX MONTHS AFTER THE LATER OF THE ORIGINAL DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE THEREOF WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S OR

REGISTRAR'S, AS APPLICABLE, RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E) AND (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE OR REGISTRAR.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

10% SENIOR SECURED NOTES DUE 2017

CUSIP No. 50077B AB4
No. C-1 $0.00

Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), for value received promises to pay to Cede & Co., or registered assigns, the principal sum of ZERO DOLLARS ($0.00) on June 1, 2017.

Interest Rate: 10%.

Interest Payment Dates: June 1 and December 1, commencing December 1, 2010.

Record Dates: May 15 and November 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: _____

Name:
Title:

Dated: May 19, 2010

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the 10% Senior Secured Notes due 2017 referred to in the within-mentioned Indenture.

WILMINGTON TRUST FSB, as Trustee

Dated: May 19, 2010 By: _____

Authorized Signatory

(REVERSE OF NOTE)

10% Senior Secured Note due 2017

1. *Interest.* Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*", which term includes any successors under the Indenture hereinafter referred to), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing December 1, 2010. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Company shall pay interest on overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or (7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws) at 1% per annum in excess of the rate per annum set forth in the Notes (the "*Default Rate*"), and it shall pay interest on overdue installments of interest and Additional Interest, if any, at the same Default Rate to the extent lawful.

2. *Method of Payment.* The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("*U.S. Legal Tender*"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company shall deliver any such interest payment to the Paying Agent for delivery to a Holder at the Holder's registered address.

3. *Paying Agent and Registrar.* Initially, Wilmington Trust FSB (the "*Trustee*") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. *Indenture.* The Notes were issued under an Indenture, dated as of May 19, 2010 (the "*Indenture*"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "*TIA*"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein.

5. *Redemption.*

(a) *Optional Redemption on or after June 1, 2014.* Except as described in *Sections 5(b)* and *5(c)* below, the Notes are not redeemable before June 1, 2014. At any time on or after June 1, 2014, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing

on June 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2014	105.000%
2015	102.500%
2016 and each year thereafter	100.000%

(b) *Optional Redemption Upon Equity Offerings.* At any time, or from time to time, on or prior to June 1, 2013, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 110% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such redemption; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) *Optional Redemption Prior to June 1, 2014.* At any time prior to June 1, 2014, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the Redemption Date (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) *Notice of Redemption.* Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to the Trustee and to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, *provided* that no Notes of a principal amount of $2,000 or less shall be redeemed in part; and *provided*, *further*, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $2,000 or an integral multiple of $1,000 in excess thereof may be redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) *Mandatory Redemption.* The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. *Offers to Purchase.* Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained

therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

7. *Registration Rights.* Pursuant to the Registration Rights Agreement among the Company, the Guarantors party thereto and the Initial Purchasers of the Initial Notes, the Company will be obligated to consummate an exchange offer. Upon such exchange offer, the Holders of the Initial Notes shall have the right, subject to compliance with securities laws, to exchange such Initial Notes for 10% Senior Secured Notes due 2017, which have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to the Initial Notes. The Holders of the Initial Notes shall be entitled to receive certain additional interest payments in the event such exchange offer is not consummated and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.

8. *Denominations; Transfer; Exchange.* The Notes are in registered form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

9. *Persons Deemed Owners.* The registered Holder of a Note shall be treated as the owner of it for all purposes.

10. *Unclaimed Money.* Subject to applicable law, if money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. *Discharge Prior to Redemption or Maturity.* If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due from the deposits referred to above.

12. *Amendment; Supplement; Waiver.* Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

13. *Restrictive Covenants.* The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or issue Preferred Stock, grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations

are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

14. *Successors.* When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

15. *Defaults and Remedies.* If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest and except in case of a failure to comply with Article Five of the Indenture) if it determines that withholding notice is in their interest.

16. *Trustee Dealings with Company.* Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

17. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

18. *Guarantee.* Subject to the terms and conditions of Article Ten of the Indenture, payment of principal, interest and Additional Interest, if any (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

19. *Intercreditor Agreement.* Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreement and all such replacement Intercreditor Agreement and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to the Indenture, this Note and the Collateral Agreements and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Note with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

20. *Authentication.* This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

21. *Governing Law.* THIS NOTE, THE GUARANTEES, THE INDENTURE, AND THE COLLATERAL AGREEMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

22. *Waiver of Jury Trial.* Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

23. *Security.* The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

24. *Abbreviations and Defined Terms.* Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

25. *CUSIP Numbers.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Kratos Defense & Security Solutions, Inc., 4820 Eastgate Mall, San Diego, C.A. 92121.

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint _____

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "*Securities Act*"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) November 19, 2011, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

(1) _____ to the Company or a subsidiary thereof; or

(2) _____ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) _____ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) _____ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) _____ pursuant to the exemption from registration provided by Rule 144 under the Securities Act; or

(6) _____ pursuant to an effective registration statement under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided* that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the

conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 [ ]

Section 4.11 [ ]

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $2,000 or integral multiples of $1,000 in excess thereof, except if you have elected to have all of your Notes purchased):

$ _____

Dated: _____ Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser's bank or broker.

Social Security or

Tax ID No : _____

Signature Guarantee: _____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of an interest in this Global Note for an interest in another Global Note or for a Physical Note, or exchanges of an interest in another Global Note or a Physical Note for an interest in this Global Note, have been made:

	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease or Increase	Signature of Authorized Officer of Trustee or Note Custodian
Date of Exchange				

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.1

$225,000,000

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

10% Senior Secured Notes due 2017

PURCHASE AGREEMENT

May 12, 2010

JEFFERIES & COMPANY, INC.
As Representative of the
Initial Purchasers listed in
Schedule I hereto
c/o Jefferies & Company, Inc.
520 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation (the "*Company*"), and each of the Guarantors (as hereinafter defined) hereby agree with you as follows:

1. ***Issuance of Notes.*** Subject to the terms and conditions herein contained, the Company proposes to issue and sell to Jefferies & Company, Inc. ("*Jefferies*"), B. Riley & Co., LLC, Imperial Capital, LLC, Keybanc Capital Markets Inc. and Noble International Investments, Inc. (each an "*Initial Purchaser*" and collectively, the "*Initial Purchasers*") $225,000,000 aggregate principal amount of 10% Senior Secured Notes due 2017 (each a "*Note*" and, collectively, the "*Notes*") in each case, in an aggregate principal amount of Notes set forth opposite the name of such Initial Purchaser on *Schedule I* hereto. The Notes will be issued pursuant to an indenture (the "*Indenture*"), to be dated as of May 19, 2010, by and among the Company, the Guarantors party thereto and Wilmington Trust FB, as trustee (the "*Trustee*"). Capitalized terms used, but not defined herein, shall have the meanings set forth in the "Description of the Notes" section of the Final Offering Memorandum (as hereinafter defined). The proceeds of the Notes will be used to finance the acquisition (the "*Acquisition*") of Gichner Holdings, Inc. and its subsidiaries (each, a "*Gichner Entity*" and collectively, "*Gichner*") pursuant to a Stock Purchase Agreement, dated as of April 12, 2010, between the Company and the Stockholders of Gichner (the "*Stock Purchase Agreement*"), refinance certain indebtedness and related transactions, as described under the caption "Summary—The Transactions" in the Final Offering Memorandum.

The Notes will be offered and sold to the Initial Purchasers pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission (the "*SEC*") thereunder (collectively, the "*Securities Act*"). Upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the Securities Act, the Notes shall bear the legends set forth in the final offering memorandum, dated the date hereof (the "*Final Offering Memorandum*"). The Company has prepared a preliminary offering memorandum, dated May 3, 2010 (the "*Preliminary Offering Memorandum*"), (ii) a pricing term sheet, dated the date hereof, attached hereto as *Schedule II*, which includes pricing terms and other information with respect to the Notes (the "*Pricing Supplement*"), and (iii) the Final Offering Memorandum, in each case, relating to the offer and sale of the Notes (the "*Offering*"). All references in this Agreement to the Preliminary Offering Memorandum, the Time of Sale Document or the Final Offering Memorandum include, unless expressly stated otherwise, (i) all amendments or supplements thereto, (ii) all documents, financial statements and schedules and other information contained, incorporated by reference or deemed incorporated by reference therein (and references in this Agreement to such information being "contained," "included" or "stated" (and other

references of like import) in the Preliminary Offering Memorandum, the Time of Sale Document or the Final Offering Memorandum shall be deemed to mean all such information contained, incorporated by reference or deemed incorporated by reference therein), (iii) any electronic Time of Sale Document or Final Offering Memorandum and (iv) any offering memorandum "wrapper" to be used in connection with offers to sell, solicitations of offers to buy or sales of the Notes in non-U.S. jurisdictions. The Preliminary Offering Memorandum and the Pricing Supplement are collectively referred to herein as the "*Time of Sale Document*."

Concurrently with the issuance of the Securities (as defined below), the Company will enter into a new $25.0 million revolving credit facility (the "*New Credit Facility*").

2. ***Terms of Offering.*** The Initial Purchasers have advised the Company, and the Company understands, that the Initial Purchasers will make offers to sell (the "*Exempt Resales*") some or all of the Notes purchased by the Initial Purchasers hereunder on the terms set forth in the Final Offering Memorandum to persons (the "*Subsequent Purchasers*") whom the Initial Purchasers reasonably believe (i) are "qualified institutional buyers" ("*QIBs*") (as defined in Rule 144A under the Securities Act), or (ii) are not "U.S. persons" (as defined in Regulation S under the Securities Act) and in compliance with the laws applicable to such persons in jurisdictions outside of the United States.

Pursuant to the Indenture, all Domestic Restricted Subsidiaries of the Company shall fully and unconditionally guarantee, on a senior secured basis, to each holder of the Notes and the Trustee, the payment and performance of the Company's obligations under the Indenture and the Notes (each such subsidiary being referred to herein as a "*Guarantor*" and each such guarantee being referred to herein as a "*Guarantee*" and, together with the Notes, the "*Securities*").

Pursuant to the terms of the Collateral Agreements, all of the obligations under the Securities and the Indenture will be secured by a lien and security interest in substantially all of the assets of the Company and the Guarantors (except for a prior ranking lien by the lenders under the New Credit Facility on certain of the Company's working capital assets and any other Permitted Liens).

Holders of the Notes (including Subsequent Purchasers) will have the registration rights set forth in the registration rights agreement applicable to the Notes (the "*Registration Rights Agreement*") in the form attached as *Exhibit A* hereto, to be executed on and dated as of the Closing Date (as hereinafter defined). Pursuant to the Registration Rights Agreement, the Company will agree, among other things, to file with the SEC (a) a registration statement under the Securities Act (the "*Exchange Offer Registration Statement*") relating to notes to be offered in exchange for the Notes (the "*Exchange Notes*") which shall be identical to the Notes, except that the Exchange Notes shall have been registered pursuant to the Exchange Offer Registration Statement and will not be subject to restrictions on transfer or contain additional interest provisions, (such offer to exchange being referred to as the "*Exchange Offer*"), and/or (b) under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Securities Act (the "*Shelf Registration Statement*") relating to the resale by certain holders of the Notes. If required under the Registration Rights Agreement, the Company will issue Exchange Notes to the Initial Purchasers (the "*Private Exchange Notes*"). If the Company fails to satisfy its obligations under the Registration Rights Agreement, it will be required to pay additional interest to the holders of the Notes under certain circumstances to be set forth in the Registration Rights Agreement.

This Agreement, the Indenture, the Collateral Agreements, the Registration Rights Agreement, the Notes, the Guarantees, the Engagement Letter dated April 16, 2010 (the "*Engagement Letter*") between the Company and Jefferies, the Exchange Notes and the Private Exchange Notes are collectively referred to herein as the "*Documents*", and the transactions contemplated hereby and thereby are collectively referred to herein as the "*Transactions*." Nothing in this Agreement should be read to limit or otherwise modify the terms and provisions of the Engagement Letter, *provided* that, in the event any

terms of the Engagement Letter are inconsistent with or contradict any terms of this Agreement, this Agreement shall govern.

3. ***Purchase, Sale and Delivery.*** On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Initial Purchasers, and the Initial Purchasers agree to purchase from the Company, the Securities at a purchase price of 97.0% of the aggregate principal amount thereof. Delivery to the Initial Purchasers of and payment for the Securities shall be made at a closing (the "*Closing*") to be held at 10:00 a.m., New York time, on May 19, 2010 (the "*Closing Date*") at the New York offices of White & Case LLP (or such other place as shall be reasonably acceptable to the Initial Purchasers); *provided*, *however*, that if the Closing has not taken place on the Closing Date because of a failure to satisfy one or more of the conditions specified in Section 7 hereof and this Agreement has not otherwise been terminated by the Initial Purchasers in accordance with its terms, "Closing Date" shall mean 10:00 a.m. New York time on the first business day following the satisfaction (or waiver) of all such conditions after notification by the Company to the Initial Purchasers of the satisfaction (or waiver) of such conditions.

The Company shall deliver to the Initial Purchasers one or more certificates representing the Securities in definitive form, registered in such names and denominations as the Initial Purchasers may request, against payment by the Initial Purchasers of the purchase price therefor by immediately available federal funds bank wire transfer to such bank account or accounts as the Company shall designate to the Initial Purchasers at least two business days prior to the Closing. The certificates representing the Securities in definitive form shall be made available to the Initial Purchasers for inspection at the New York offices of White & Case LLP (or such other place as shall be reasonably acceptable to the Initial Purchasers) not later than 10:00 a.m. New York time one business day immediately preceding the Closing Date. Securities to be represented by one or more definitive global securities in book-entry form will be deposited on the Closing Date, by or on behalf of the Company, with The Depository Trust Company ("*DTC*") or its designated custodian, and registered in the name of Cede & Co.

4. ***Representations and Warranties of the Company and the Guarantors***. Each of the Company and the Guarantors, jointly and severally, represents and warrants to, and agrees with, the Initial Purchasers that, as of the date hereof and as of the Closing Date:

(a) *Offering Materials Furnished to Initial Purchasers*. The Company has delivered to the Initial Purchasers the Time of Sale Document, the Final Offering Memorandum and each Company Additional Written Communication (as hereinafter defined) in such quantities and at such places as the Initial Purchasers have reasonably requested.

(b) *Limitation on Offering Materials.* The Company has not prepared, made, used, authorized, approved or distributed and will not, and will not cause or allow its agents or representatives to, prepare, make, use, authorize, approve or distribute any written communication that constitutes an offer to sell or a solicitation of an offer to buy the Securities, or otherwise is prepared to market the Securities, other than (i) the Time of Sale Document, (ii) the Final Offering Memorandum and (iii) any marketing materials (including any roadshow or investor presentation materials) or other written communications, in each case used in accordance with Section 5(c) hereof (each such communication by the Company or its agents or representatives described in this clause (iii), a "*Company Additional Written Communication*").

(c) *No Material Misstatement or Omission*. (i) The Time of Sale Document, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (ii) the Final Offering Memorandum, as of the date thereof, did not, and at the Closing Date, will not include any untrue statement of a material fact or omit to state a material

fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (iii) each Company Additional Written Communication, when taken together with the Time of Sale Document, at the time such Company Additional Written Communication was made did not, and, at the Closing Date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except in each case that the representations and warranties set forth in this paragraph do not apply to statements or omissions made in reliance upon and in conformity with information relating to the Initial Purchasers and furnished to the Company in writing by the Initial Purchasers expressly for use in the Time of Sale Document or the Final Offering Memorandum as set forth in Section 13. No injunction or order has been issued that either (i) asserts that any of the Transactions is subject to the registration requirements of the Securities Act or (ii) would prevent or suspend the issuance or sale of any of the Securities or the use of the Time of Sale Document or the Final Offering Memorandum in any jurisdiction. No statement of material fact included in the Final Offering Memorandum has been omitted from the Time of Sale Document, and no statement of material fact included in the Time of Sale Document has been omitted from the Final Offering Memorandum. "Applicable Time" means 2:25 p.m. New York City time, on the date hereof or such other time as may be agreed upon in writing by the Company and Jefferies.

(d) *Documents Incorporated by Reference.* The documents incorporated or deemed to be incorporated by reference in the Time of Sale Document and the Final Offering Memorandum, at the time they were or hereafter are filed with the SEC, complied and will comply, in all material respects with the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder (collectively, the "*Exchange Act*"). There are no contracts or other documents required to be described in such incorporated documents or to be filed as exhibits to such incorporated documents which have not been described or filed as required.

(e) *Reporting Compliance.* The Company is subject to, and is in full compliance in all material respects with, the reporting requirements of Section 13 and Section 15(d), as applicable, of the Exchange Act.

(f) *Preparation of the Financial Statements*. The audited consolidated financial statements and related notes of each of Gichner and the Company contained in the Time of Sale Document and the Final Offering Memorandum (the "Financial Statements") present fairly in all material respects the financial position, results of operations and cash flows of each of Gichner and the Company and its consolidated Subsidiaries, respectively, as of the respective dates and for the respective periods to which they apply and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (subject, in the case of Gichner's interim financial statements, to normal recurring year-end adjustments and the absence of notes) and the applicable requirements of Regulation S-X. The financial data set forth under the captions "Summary Historical and Pro Forma Consolidated Financial Data" and "Selected Historical Consolidated Financial Data of Kratos" in the Time of Sale Document and the Final Offering Memorandum with respect to the Company and its consolidated Subsidiaries has been prepared on a basis consistent with that of the Financial Statements and present fairly in all material respects the financial position and results of operations of the Company and its consolidated Subsidiaries as of the respective dates and for the respective periods indicated. The financial data set forth under the captions "Summary Historical and Pro Forma Consolidated Financial Data" and "Selected Historical Consolidated Financial Data of Gichner" in the Time of Sale Document and the Final Offering Memorandum with respect to Gichner has been prepared on a basis consistent with that of the Financial Statements and present fairly in all material respects the financial position and results of operations of Gichner as of the respective dates and for the respective periods indicated. The unaudited pro forma financial information and related notes of the Company and its

Subsidiaries contained in the Time of Sale Document and the Final Offering Memorandum have been prepared in accordance with the applicable requirements of Regulation S-X and have been properly presented on the bases described therein, and give effect to assumptions used in the preparation thereof are reasonable basis and in good faith and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. All other financial, statistical and market and industry data and forward-looking statements (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Time of Sale Document and the Final Offering Memorandum are fairly and accurately presented, are based on or derived from sources that the Company believes to be reliable and accurate and are presented on a reasonable basis. No other financial statements or supporting schedules are required to be included in the Time of Sale Document or the Final Offering Memorandum.

(g) *Disclosure Controls and Procedures.* The Company and its Subsidiaries maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. The Company and its Subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act. The statements relating to disclosure controls and procedures made by the principal executive officers (or their equivalents) and principal financial officers (or their equivalents) of the Company in the certifications required by the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith are complete and correct.

(h) *Independent Accountants of the Company*. Grant Thornton LLP, who have certified and expressed their opinion with respect to the consolidated financial statements of the Company and its Subsidiaries including the related notes thereto and supporting schedules contained in the Time of Sale Document and the Final Offering Memorandum, are (i) an independent registered public accounting firm with respect to the Company and its Subsidiaries within the applicable rules and regulations adopted by the SEC and as required by the Securities Act, (ii) in compliance with the applicable requirements relating to the qualification of accountants Regulation S-X and (iii) a registered public accounting firm as defined by the Public Company Accounting Oversight Board (United States) whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(i) *Independent Accountants of Gichner.* Plante & Moran, PLLC, who have certified and expressed their opinion with respect to the consolidated financial statements of Gichner including the related notes thereto and supporting schedules contained in the Time of Sale Document and the Final Offering Memorandum, are (i) an independent registered public accounting firm with respect to Gichner within the applicable rules and regulations adopted by the SEC and as required by the Securities Act, (ii) in compliance with the applicable requirements relating to the qualification of accountants Regulation S-X and (iii) a registered public accounting firm as defined by the Public Company Accounting Oversight Board (United States) whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(j) *No Material Adverse Change*. Subsequent to the respective dates as of which information is contained in the Time of Sale Document and the Final Offering Memorandum, except as disclosed in the Time of Sale Document and the Final Offering Memorandum, (i) none of the Company, any of its Subsidiaries, or any Gichner Entity has incurred any liabilities, direct or contingent, including without limitation any losses or interference with its business from fire, explosion, flood,

earthquakes, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute or court or governmental action, order or decree, that are material, individually or in the aggregate, to the Company and its Subsidiaries, taken as a whole, or to Gichner, the Company and its Subsidiaries, taken as a whole, or has entered into any transactions not in the ordinary course of business, (ii) there has not been any material decrease in the capital stock or any material increase in any short-term or long-term indebtedness of the Company, its Subsidiaries or Gichner, or any payment of or declaration to pay any dividends or any other distribution with respect to the Company or Gichner, and (iii) there has not been any material adverse change in the properties, business, prospects, operations, earnings, assets, liabilities or condition (financial or otherwise) of the Company, its Subsidiaries and Gichner, taken as a whole (each of clauses (i), (ii) and (iii), a "*Material Adverse Change*"). To the Company's knowledge, after due inquiry, there is no event that is reasonably likely to occur, which if it were to occur, would, individually or in the aggregate, have a Material Adverse Effect except as disclosed in the Time of Sale Document and the Final Offering Memorandum.

(k) *Rating Agencies.* No "nationally recognized statistical rating organization" (as defined in Rule 436(g)(2) under the Securities Act) (i) has imposed (or has informed the Company that it is considering imposing) any condition (financial or otherwise) to retain any rating assigned to the Company, any of its Subsidiaries or any Gichner Entity or to any securities of the Company, any of its Subsidiaries or any Gichner Entity or (ii) has indicated to the Company or Gichner that it is considering (A) the downgrading, suspension, or withdrawal of, or any review (or of any potential or intended review) for a possible change in, any rating so assigned (including, without limitation, the placing of any of the foregoing ratings on credit watch with negative or developing implications or under review with an uncertain direction) or (B) any change in the outlook for any rating of the Company, any of its Subsidiaries or any Gichner Entity or any securities of the Company, any of its Subsidiaries or any Gichner Entity.

(l) *Subsidiaries*. Each corporation, partnership or other entity in which the Company, directly or indirectly through any of its subsidiaries, owns more than fifty percent (50%) of any class of equity securities or interests is listed on *Schedule III* attached hereto (the "*Subsidiaries*"). Each Gichner Entity is listed under the heading "Gichner Entities" on *Schedule III* attached hereto. Each Subsidiary that is a Foreign Restricted Subsidiary has an asterisk ("*") next to its name on such schedule.

(m) *Incorporation and Good Standing of the Company and its Subsidiaries; MAE.* Each of the Company, its Subsidiaries and each Gichner Entity (i) has been duly organized or formed, as the case may be, is validly existing and, where applicable, is in good standing under the laws of its jurisdiction of organization, (ii) has all requisite power and authority to carry on its business and to own, lease and operate its properties and assets as described in the Time of Sale Document and in the Final Offering Memorandum and (iii) is duly qualified or licensed to do business and is in good standing as a foreign corporation, partnership or other entity as the case may be, authorized to do business in each jurisdiction in which the nature of such businesses or the ownership or leasing of such properties requires such qualification, except where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on (A) the properties, business, prospects, operations, earnings, assets, liabilities or condition (financial or otherwise) of the Company and its Subsidiaries (including, upon consummation of the Acquisition, Gichner), taken as a whole, (B) the ability of the Company, any Subsidiary or any Gichner Entity to perform its obligations in all material respects under any Document, (C) the enforceability of any Collateral Agreement or the attachment, perfection or priority of any of the liens or security interests intended to be created thereby, (D) the validity or enforceability of any of the Documents, or (E) the consummation of any of the Transactions (each, a "*Material Adverse Effect*").

(n) *Capitalization and Other Capital Stock Matters*. All of the issued and outstanding shares of capital stock of each of the Company, its Subsidiaries and each Gichner Entity have been duly authorized and validly issued, are fully paid and nonassessable and were not issued in violation of, and are not subject to, any preemptive or similar rights. The table under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Time of Sale Document and the Final Offering Memorandum (including the footnotes thereto) sets forth, as of the date of such table, information concerning the beneficial ownership of the Company's common stock by (i) each stockholder known by the Company to be the beneficial owner of 5% or more of the outstanding shares of the Company's common stock, (ii) each of the Company's directors, (iii) each of the Company's executive officers, and (iv) all of the Company's executive officers and directors as a group. All of the outstanding shares of capital stock or other equity interests of each of its Subsidiaries are, and upon consummation of the Acquisition, each Gichner Entity will be, owned, directly or indirectly, by the Company, free and clear of all liens, security interests, mortgages, pledges, charges, equities, claims or restrictions on transferability or encumbrances of any kind (collectively, "*Liens*), other than those Permitted Liens and those imposed by the Securities Act and the securities or "Blue Sky" laws of certain U.S. state or non-U.S. jurisdictions. Except as disclosed in the Time of Sale Document and the Final Offering Memorandum, there are no outstanding (A) options, warrants or other rights to purchase from the Company or any of its Subsidiaries, (B) agreements, contracts, arrangements or other obligations of the Company or any of its Subsidiaries to issue or (C) other rights to convert any obligation into or exchange any securities for, in the case of each of clauses (A) through (C), shares of capital stock of or other ownership or equity interests in the Company or any of its Subsidiaries.

(o) *Legal Power and Authority.* Each of the Company and the Guarantors has, and upon consummation of the Acquisition, Gichner will have, all necessary power and authority to execute, deliver and perform their respective obligations under the Documents to which they are or will become a party and to consummate the Transactions.

(p) *This Agreement, Indenture, Registration Rights Agreement and the Collateral Agreements*. This Agreement has been duly and validly authorized, executed and delivered by the Company and the Guarantors, and, upon consummation of the Acquisition, will have been duly and validly authorized by Gichner. Each of the Indenture, the Registration Rights Agreement and the Collateral Agreements, if applicable, has been duly and validly authorized by the Company and the Guarantors and, upon consummation of the Acquisition, will have been duly and validly authorized by Gichner. Each of the Indenture, the Registration Rights Agreement and the Collateral Agreements, if applicable, when executed and delivered by the Company, the Guarantors and Gichner, will constitute a legal, valid and binding obligation of each of the Company, the Guarantors and Gichner, enforceable against each of the Company, the Guarantors and Gichner in accordance with its terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws now or hereafter in effect relating to creditors' rights generally, (ii) general principles of equity (whether applied by a court of law or equity) and the discretion of the court before which any proceeding therefor may be brought and (iii) with respect to the Registration Rights Agreement, rights to indemnity or contribution thereunder, federal and state securities laws and public policy considerations. When executed and delivered, this Agreement, the Indenture, the Registration Rights Agreement and the Collateral Agreements will conform in all material respects to the descriptions thereof in the Time of Sale Document and the Final Offering Memorandum. When executed and delivered by the Company and the Guarantors, the Indenture will meet the requirements for qualification under the Trust Indenture Act of 1939, as amended, and the rules and regulations of the SEC thereunder (collectively, the "*TIA*").

(q) *Notes.* The Notes, Exchange Notes and Private Exchange Notes have each been duly and validly authorized by the Company and, in the case of the Notes, when issued and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement and the Indenture, will have been duly executed, authenticated, issued and delivered and will constitute legal, valid and binding obligations of the Company, entitled to the benefit of the Indenture, the Collateral Agreements and the Registration Rights Agreement, and enforceable against the Company in accordance with their terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (whether applied by a court of law or equity) and the discretion of the court before which any proceeding therefor may be brought. When executed and delivered, the Notes will conform in all material respects to the descriptions thereof in the Time of Sale Document and the Final Offering Memorandum and will be in the form contemplated by the Indenture.

(r) *Guarantees.* The Guarantees have been duly and validly authorized by the Guarantors and, upon consummation of the Acquisition, will have been duly and validly authorized by Gichner, and, when issued and executed by the Guarantors and Gichner, will have been duly executed, authenticated, issued and delivered and will constitute legal, valid and binding obligations of the Guarantors and Gichner, entitled to the benefit of the Indenture, the Collateral Agreements and the Registration Rights Agreement, and enforceable against the Guarantors and Gichner in accordance with their terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (whether applied by a court of law or equity) and the discretion of the court before which any proceeding therefor may be brought. When executed and delivered, the Guarantees will conform in all material respects to the descriptions thereof in the Time of Sale Document and the Final Offering Memorandum.

(s) *Collateral.*

(i) Upon:

(1) in the case of such portion of the Collateral constituting investment property represented or evidenced by certificates or other instruments, delivery to the Collateral Agent of such certificates or instruments in accordance with the Collateral Agreements, and in the case of all other investment property, the filing of financing statements or other applicable filings in the appropriate filing office, registry or other public office, together with the payment of the requisite filing or recordation fees related thereto;

(2) in the case of such portion of the Collateral constituting securities accounts, delivery to the Collateral Agent of securities account control agreements and such other agreements or instruments, in each case satisfactory in form and substance to the Collateral Agent and duly executed by the applicable securities intermediary, as may be necessary or, in the opinion of the Collateral Agent, desirable to establish and maintain control of such securities accounts from time to time;

(3) in the case of such portion of the Collateral constituting deposit accounts, delivery to the Collateral Agent of deposit account control agreements and such other agreements or instruments, in each case satisfactory in form and substance to the Collateral Agent and duly executed by the applicable depositary bank, as may be necessary or, in the opinion of the Collateral Agent, desirable to establish and maintain control of such deposit accounts from time to time;

(4) in the case of such portion of the Collateral constituting registered patents, trademarks and copyrights, the filing by the Collateral Agent of (A) initial financing statements with the appropriate filing offices, (B) any filings required with the United States Patent and Trademark Office, (C) any filings required with the United States Copyright Office and (D) the other Collateral Agreements with the appropriate filing office, registry or other public office, together with the payment of the requisite filing or recordation fees related thereto,

(5) in the case of any other Collateral a Lien in which may be perfected by filing of an initial financing statement or other applicable document in the appropriate filing office, registry or other public office, the filing of financing statements or other applicable document in such filing office, registry or other public office, together with the payment of the requisite filing or recordation fees related thereto, and in the case of any other Collateral a Lien in which is perfected by possession or control, when the Collateral Agent obtains possession or control thereof; and

the Liens granted pursuant to the Collateral Agreements will constitute valid and enforceable perfected Liens, in each case prior and superior in right to any other Person therein (other than any Person holding a Permitted Lien).

(ii) As of the Closing Date, there will be no currently effective financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry, or other public office, that purports to cover, affect or give notice of any present or possible future Lien on any assets or property of the Company, any Guarantor or any Subsidiary or any rights thereunder, except for Permitted Liens.

(iii) All information certified by an officer of the Company in the Perfection Certificate to be executed prior to the Closing Date and delivered by such officer on behalf of the Company is true and correct both as of the date thereof and as of the Closing Date.

(iv) The Mortgage will be effective to grant a legal and valid mortgage Lien on all of the mortgagor's right, title and interest in the "Mortgaged Property" (as defined in the Collateral Agreements). When the Mortgage is duly recorded in the proper recorders' offices or appropriate public records and the mortgage recording fees and taxes in respect thereof are paid and compliance is otherwise had with the formal requirements of state or local law applicable to the recording of real estate mortgages generally, the Mortgage shall constitute a valid, perfected and enforceable security interest in the Mortgage Property in each case prior and superior in right to any other Person therein, for the ratable benefit of the Secured Parties, subject only to Permitted Liens, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (whether applied by a court of law or equity) and the discretion of the court before which any proceeding therefor may be brought. The title insurance policies and surveys related to the Mortgage shall have been delivered to the Collateral Agent pursuant to the "Description of Notes—Certain Covenants—Real Estate Mortgages and Filings" in the Final Offering Memorandum.

(v) The representations and warranties of each of the Company, the Guarantors and, upon the consummation of the Acquisition, Gichner in the Collateral Agreements are true and correct (if such representations and warranties are not already qualified with respect to materiality) in all material respects.

(t) *Compliance with Existing Instruments.* None of the Company, any of its Subsidiaries or any Gichner Entity is (i) in violation of its certificate of incorporation, by-laws or other organizational

documents (the "*Charter Documents*"); (ii) in violation of any U.S. or non-U.S. federal, state or local statute, law (including, without limitation, common law) or ordinance, or any judgment, decree, rule, regulation, order or injunction (collectively, "*Applicable Law*") of any U.S. or non-U.S. federal, state, local or other governmental or regulatory authority, governmental or regulatory agency or body, court, arbitrator or self-regulatory organization (each, a "*Governmental Authority*"), applicable to any of them or any of their respective properties; or (iii) in breach of or default under any bond, debenture, note, loan or other evidence of indebtedness, indenture, mortgage, deed of trust, lease or any other agreement or instrument to which any of them is a party or by which any of them or their respective properties are bound (collectively, the "*Applicable Agreements*"), except, in the case of clauses (ii) and (iii) for such violations, breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There exists no condition that, with the passage of time or otherwise, would constitute (a) a violation of such Charter Documents or Applicable Laws, (b) a breach of or default or a "Debt Repayment Triggering Event" (as defined below) under any Applicable Agreement or (c) result in the imposition of any penalty or the acceleration of any indebtedness. As used herein, a "*Debt Repayment Triggering Event*" means any event or condition that gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company, any of its Subsidiaries, any Gichner Entity or any of their respective properties.

(u) *No Conflicts.* Neither the execution, delivery or performance of the Documents nor the consummation of any of the Transactions will conflict with, violate, constitute a breach of or a default (with the passage of time or otherwise) or a Debt Repayment Triggering Event under, or result in the imposition of a Lien on any assets of the Company, any of its Subsidiaries and, upon consummation of the Acquisition, any Gichner Entity (except for Permitted Liens or Liens pursuant to the Collateral Agreements), the imposition of any penalty or a Debt Repayment Triggering Event under or pursuant to (i) the Charter Documents, (ii) any Applicable Agreement, (iii) any Applicable Law or (iv) any order, writ, judgment, injunction, decree, determination or award binding upon or affecting the Company, its Subsidiaries or, upon consummation of the Acquisition, any Gichner Entity. After consummation of the Offering and the Transactions, no Default or Event of Default will exist.

(v) *No Consents.* No consent, approval, authorization, order, filing or registration of or with any Governmental Authority or third party is required for execution, delivery or performance of the Documents or the consummation of the Transactions, except such (i) those that have been official or made, as the case may be, that are in full force and effect, (ii) as may be required under the securities or "Blue Sky" laws of U.S. state or non-U.S. jurisdictions or other non-U.S. laws applicable to the purchase of the Securities outside the U.S. in connection with the Transactions, (iii) those contemplated by the Registration Rights Agreement and the Collateral Agreements; and (iv) or the filing of a Current Report on Form 8-K with the SEC as may be required under the Securities Act and the Exchange Act, as the case may be, regarding the Documents and the Transactions.

(w) *No Material Applicable Laws or Proceedings*. Except as disclosed in the Time of Sale Document and the Final Offering Memorandum, there is no action, claim, suit, demand, hearing, notice of violation or deficiency, or proceeding pending or, to the knowledge of the Company or any of its Subsidiaries, after due inquiry, threatened or contemplated by Governmental Authorities or threatened by others (collectively, "*Proceedings*") that, would, as of the date hereof and at the Closing Date, restrain, enjoin, prevent or interfere with the consummation of the Offering or any of the Transactions or (B) would, individually or in the aggregate, have a Material Adverse Effect.

(x) *All Necessary Permits*. Each of the Company, its Subsidiaries and each Gichner Entity possesses all licenses, permits, certificates, consents, orders, approvals and other authorizations from, and has made all declarations and filings with, all Governmental Authorities, presently required or necessary to own or lease, as the case may be, and to operate its properties and to carry on its businesses as now or proposed to be conducted as described in the Time of Sale Document and the Final Offering Memorandum ("*Permits*"), except where the failure to possess such Permits would not, individually or in the aggregate, have a Material Adverse Effect; each of the Company, its Subsidiaries and each Gichner Entity has fulfilled and performed all of its obligations with respect to such Permits; no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination of any such Permit or has resulted, or after notice or lapse of time would result, in any other material impairment of the rights of the holder of any such Permit; and none of the Company, any of its Subsidiaries or any Gichner Entity has received or has any reason to believe it will receive any notice of any proceeding relating to revocation or modification of any such Permit, except as described in the Time of Sale Document and the Final Offering Memorandum or except where such revocation or modification would not, individually or in the aggregate, have a Material Adverse Effect.

(y) *Title to Properties*. The Company and Subsidiaries do not own any real property. Each of the Company, its Subsidiaries and Gichner has good title to all personal property owned by it and good and valid title to all leasehold estates in real and personal property being leased by it and, as of the Closing Date, will be free and clear of all Liens other than Permitted Liens. All Applicable Agreements to which the Company or any of its Subsidiaries is a party or by which any of them is bound are valid and enforceable against each of the Company or such Subsidiary, as applicable, and are valid and enforceable against the other party or parties thereto and are in full force and effect with only such exceptions as would not, individually or in the aggregate, have a Material Adverse Effect.

(z) *Tax Law Compliance*. All Tax (as hereinafter defined) returns required to be filed by the Company, each of its Subsidiaries and each Gichner Entity have been filed and all such returns are true, complete and correct in all material respects. All material Taxes that are due from the Company, its Subsidiaries and Gichner have been paid other than those (i) currently payable without penalty or interest or (ii) being contested in good faith and by appropriate proceedings and for which adequate accruals have been established in accordance with generally accepted accounting principles of the United States, applied on a consistent basis throughout the periods involved ("*GAAP*"). To the knowledge of the Company, after due inquiry, there are no actual or proposed Tax assessments against the Company, any of its Subsidiaries or any Gichner Entity that would, individually or in the aggregate, have a Material Adverse Effect. The accruals on the books and records of the Company, its Subsidiaries and Gichner in respect of any material Tax liability for any period not finally determined are adequate to meet any assessments of Tax for any such period. For purposes of this Agreement, the term "Tax" and "Taxes" shall mean all U.S. and non-U.S. federal, state, local and taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto.

(aa) *Intellectual Property Rights*. Each of the Company, its Subsidiaries and Gichner owns, or is licensed under, and has the right to use, all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, domain names and trade names (collectively, "*Intellectual Property*") necessary for the conduct of its businesses and, as of the Closing Date, the Intellectual Property will be free and clear of all Liens, other than Permitted Liens. None of the Company, its Subsidiaries or any Gichner Entity is a party to, or bound by, any options, licenses or agreements with respect to the intellectual property rights of any other person

or entity that are necessary to be described in the Time of Sale Document or the Final Offering Memorandum to avoid a material misstatement or omission and are not described therein. No claims or notices of any potential claim have been asserted by any person challenging the use of any such Intellectual Property by the Company, any of its Subsidiaries or any Gichner Entity or questioning the validity or effectiveness of any Intellectual Property or any license or agreement related thereto, other than any claims that, if successful, would not, individually or in the aggregate, have a Material Adverse Effect. None of the intellectual property used by the Company, any of its Subsidiaries or any Gichner Entity has been obtained or is hereby used by the Company, any of its Subsidiaries or any Gichner Entity in violation of any contractual obligation binding on the Company, any of its Subsidiaries or any Gichner Entity or, to the Company or any of its Subsidiaries' knowledge, their respective officers, directors or employees or otherwise in violation of the rights of any person.

(bb) *ERISA Matters*. Each of the Company, its Subsidiaries, each Gichner Entity and each ERISA Affiliate (as hereinafter defined) has fulfilled its obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974, as amended ("*ERISA*") with respect to each "pension plan" (as defined in Section 3(2) of ERISA), subject to Section 302 of ERISA, which the Company, its Subsidiaries or any ERISA Affiliate sponsors or maintains, or with respect to which it has (or within the last three years had) any obligation to make contributions, and each such plan is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code of 1986, as amended (the "*Code*"). None of the Company, its Subsidiaries or any ERISA Affiliate has incurred any unpaid liability to the Pension Benefit Guaranty Corporation (other than for the payment of premiums in the ordinary course) or to any such plan under Title IV of ERISA. "*ERISA Affiliate*" means a corporation, trade or business that is, along with the Company or any Subsidiary, a member of a controlled group of corporations or a controlled group of trades or businesses, as described in Section 414 of the Code or Section 4001 of ERISA.

(cc) *Labor Matters*. (i) Other than as disclosed in the Time of Sale Document and Final Offering Memorandum, none of the Company, any of its Subsidiaries or any Gichner Entity is party to or bound by any collective bargaining agreement with any labor organization; (ii) there is no union representation question existing with respect to the employees of the Company, its Subsidiaries or Gichner, and, to the knowledge of the Company, after due inquiry, no union organizing activities are taking place that, could, individually or in the aggregate, have a Material Adverse Effect; (iii) to the knowledge of the Company, after due inquiry, no union organizing or decertification efforts are underway or threatened against the Company, its Subsidiaries or Gichner; (iv) no labor strike, work stoppage, slowdown or other material labor dispute is pending against the Company, its Subsidiaries or Gichner, or, to the Company's knowledge, after due inquiry, threatened against the Company, its Subsidiaries or Gichner; (v) there is no worker's compensation liability, experience or matter that could be reasonably expected to have a Material Adverse Effect; (vi) to the knowledge of the Company, after due inquiry, there is no threatened or pending liability against the Company, its Subsidiaries or Gichner pursuant to the Worker Adjustment Retraining and Notification Act of 1988, as amended ("*WARN*"), or any similar state or local law; (vii) there is no employment-related charge, complaint, grievance, investigation, unfair labor practice claim or inquiry of any kind, pending against the Company, its Subsidiaries or Gichner that could, individually or in the aggregate, have a Material Adverse Effect; (viii) to the knowledge of the Company and its Subsidiaries, after due inquiry, no employee or agent of the Company, its Subsidiaries or Gichner has committed any act or omission giving rise to liability for any violation identified in subsection (vi) and (vii) above, other than such acts or omissions that would not, individually or in the aggregate, have a Material Adverse Effect; and (ix) no term or condition of employment exists through arbitration awards, settlement agreements or side agreement that is contrary to the express terms of any applicable collective bargaining agreement.

(dd) *Compliance with Environmental Laws*. Except as disclosed in the Time of Sale Document and the Final Offering Memorandum, each of the Company, its Subsidiaries and Gichner is (i) in compliance with any and all applicable U.S. or non-U.S. federal, state and local laws and regulations relating to health and safety, or the pollution or the protection of the environment or hazardous or toxic substances of wastes, pollutants or contaminants ("*Environmental Laws*"), (ii) has received and is in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its respective businesses and (iii) has not received notice of, and is not aware of, any actual or potential liability for damages to natural resources or the investigation or remediation of any disposal, release or existence of hazardous or toxic substances or wastes, pollutants or contaminants, in each case except where such non-compliance with Environmental Laws, failure to receive and comply with required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect. Except as disclosed in the Time of Sale Document and the Final Offering Memorandum, none of the Company, any of its Subsidiaries or any Gichner Entity has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or any similar U.S. or non-U.S. state or local Environmental Laws or regulation requiring the Company, any of its Subsidiaries or any Gichner Entity to investigate or remediate any pollutants or contaminants, except where such requirements would not, individually or in the aggregate, have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business. In the ordinary course of its business, the Company and Gichner periodically reviews the effects of Environmental Laws on the business, operations and properties of the Company and its Subsidiaries and Gichner, respectively, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, the Company and, to the Company's knowledge, Gichner have reasonably concluded that such associated costs would not have a Material Adverse Effect.

(ee) *Insurance*. Each of the Company, its Subsidiaries and each Gichner Entity is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged. All policies of insurance insuring the Company, any of its Subsidiaries or any Gichner Entity or their respective businesses, assets, employees, officers and directors are in full force and effect. The Company, its Subsidiaries and Gichner are in compliance with the terms of such policies and instruments in all material respects, and there are no claims by the Company, any of its Subsidiaries or any Gichner Entity under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause. None of the Company, any of its Subsidiaries or any Gichner Entity has been refused any insurance coverage sought or applied for, and none of the Company, any of its Subsidiaries or any Gichner Entity has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not, individually or in the aggregate, have a Material Adverse Effect.

(ff) *Accounting System*. Each of the Company, its Subsidiaries and each Gichner Entity makes and keeps accurate books and records and maintain a system of internal accounting controls and procedures sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any

material differences. The Company's management concluded that the Company's internal control over financial reporting was effective as of December 27, 2009, and since that date the independent auditors and board of directors of the Company have been advised of: (i) all "material weaknesses" and "significant deficiencies" (each, as defined in Rule 12b-2 of the Exchange Act), if any, in the design or operation of the Company's internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal control over financial reporting (whether or not remediated). Except as disclosed in the Time of Sale Document and the Final Offering Memorandum, as of the date hereof there are no material weaknesses in the Company's internal control over financial reporting. Since the date of the most recent evaluation of the Company's disclosure controls and procedures and internal control over financial reporting, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(gg) *Use of Proceeds; Solvency; Going Concern*. All indebtedness represented by the Securities is being incurred for proper purposes and in good faith. On the Closing Date, after giving pro forma effect to the Offering and the use of proceeds therefrom described under the caption "Use of Proceeds" in the Time of Sale Document and Final Offering Memorandum, the Company and each Guarantor, and, upon consummation of the Acquisition, each Gichner Entity, (i) will be Solvent (as hereinafter defined), (ii) will have sufficient capital for carrying on its business and (iii) will be able to pay its debts as they mature. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of the Company and each Guarantor, and, upon consummation of the Acquisition, each Gichner Entity, is not less than the total amount required to pay the liabilities of the Company and each Guarantor on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) the Company and each Guarantor is, and, upon consummation of the Acquisition, each Gichner Entity, is able to pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Securities as contemplated by this Agreement and the Time of Sale Document and Final Offering Memorandum, neither the Company nor any Guarantor, and, upon consummation of the Acquisition, each Gichner Entity, is incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) neither the Company nor any Guarantor, and, upon consummation of the Acquisition, each Gichner Entity, is engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which the Company or any Guarantor, and, upon consummation of the Acquisition, each Gichner Entity, is engaged; and (v) neither the Company nor any Guarantor, and, upon consummation of the Acquisition, no Gichner Entity, is otherwise insolvent under the standards set forth in Applicable Laws.

(hh) *No Price Stabilization or Manipulation.* Neither the Company nor any of its Affiliates has and, to the Company's knowledge, after due inquiry, no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company, whether to facilitate the sale or resale of any of the Securities or otherwise, (ii) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, any of the Securities, or (iii) except as disclosed in the Time of Sale Document and the Final Offering Memorandum, paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(ii) *No Registration Required Under the Securities Act or Qualification Under the TIA*. Without limiting any provision herein, no registration under the Securities Act and no qualification of the Indenture under the TIA is required for the offer or sale of the Securities to the Initial Purchasers as contemplated hereby or for the Exempt Resales, assuming (i) that the purchasers in the Exempt Resales are QIBs or are not "U.S. persons" (as defined under Regulation S of the Securities Act) and (ii) the accuracy of each Initial Purchaser's representations contained herein regarding the absence of general solicitation in connection with the sale of the Securities to the Initial Purchasers and in the Exempt Resales.

(jj) *No Integration.* The Securities will be, upon issuance, eligible for resale pursuant to Rule 144A under the Securities Act and no other securities of the Company are of the same class (within the meaning of Rule 144A under the Securities Act) as the Securities and listed on a national securities exchange registered under Section 6 of the Exchange Act, or quoted in a U.S. automated inter-dealer quotation system. No securities of the Company of the same class as the Securities have been offered, issued or sold by the Company or any of its Affiliates within the six-month period immediately prior to the date hereof; and the Company does not have any intention of making, and will not make, an offer or sale of such securities of the Company of the same class as the Securities, for a period of six months after the date of this Agreement, except for the offering of the Securities as contemplated by this Agreement or the Registration Rights Agreement. As used in this paragraph, the terms "offer" and "sale" have the meanings specified in Section 2(a)(3) of the Securities Act.

(kk) *No Directed Selling Efforts*. None of the Company, any of its Affiliates or other person acting on behalf of the Company has, with respect to Securities sold outside the United States, offered the Securities to buyers qualifying as "U.S. persons" (as defined in Rule 902 under the Securities Act) or engaged in any directed selling efforts within the meaning of Rule 902 under the Securities Act; each of the Company, Affiliates of the Company and any persons acting on behalf of the Company has complied with and will implement the "offering restrictions" within the meaning of such Rule 902; and neither the Company nor any of its Affiliates has entered or will enter into any arrangement or agreement with respect to the distribution of the Securities, except for this Agreement; *provided* that no representation is made in this paragraph with respect to the actions of the Initial Purchasers.

(ll) *No Applicable Registration or Other Similar Rights.* There are no persons with registration or other similar rights to have any equity or debt securities of the Company or any "Affiliate" registered for sale under a registration statement, except for rights (i) contained in the Registration Rights Agreement or (ii) as have been duly waived.

(mm) *Margin Requirements*. None of the Transactions or the application of the proceeds of the Securities will violate or result in a violation of Section 7 of the Exchange Act (including, without limitation, Regulation T (12 C.F.R. Part 220), Regulation U (12 C.F.R. Part 221) or Regulation X (12 C.F.R. Part 224) of the Board of Governors of the Federal Reserve System).

(nn) *Investment Company Act*. The Company has been advised of the Investment Company Act of 1940, as amended, and the rules and regulations of the SEC thereunder (collectively, the "*Investment Company Act*"); as of the date hereof and, after giving effect to the Offering and the use of proceeds of the Offering, none of Gichner, the Company and its Subsidiaries is or will be, individually or on a consolidated basis, an "investment company" that is required to be registered under the Investment Company Act; and following the Closing Date, each of Gichner, the Company and its Subsidiaries will conduct its business in a manner so as not to be required to register under the Investment Company Act.

(oo) *No Brokers*. Neither the Company nor any of its Affiliates has engaged any broker, finder, commission agent or other person (other than the Initial Purchasers) in connection with the

Offering or any of the Transactions, and neither the Company nor any of its Affiliates is under any obligation to pay any broker's fee or commission in connection with such Transactions (other than commissions or fees to the Initial Purchasers).

(pp) *No Restrictions on Payments of Dividends*. As of the Closing Date, except as otherwise disclosed in the Time of Sale Document and the Final Offering Memorandum, there will be no encumbrances or restrictions on the ability of any Subsidiary of the Company or, upon the consummation of the Acquisition, any Gichner Entity (x) to pay dividends or make other distributions on the capital stock of such Subsidiary or Gichner Entity, as applicable, or to pay any indebtedness to the Company, any other Subsidiary of the Company or any other Gichner Entity, (y) to make loans or advances or pay any indebtedness to, or investments in, the Company, any other Subsidiary or any other Gichner Entity or (z) to transfer any of its property or assets to the Company, any other Subsidiary of the Company or any Gichner Entity.

(qq) *Sarbanes-Oxley.* There is and has been no failure on the part of the Company and its Subsidiaries or any of the officers and directors of the Company or any of its Subsidiaries, in their capacities as such, to comply with the applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith.

(rr) *Foreign Corrupt Practices Act*. None of the Company, any of its Subsidiaries or any Gichner Entity or any director, officer, employee or, to the knowledge of the Company or any of its Subsidiaries, any agent or other person acting on behalf of the Company, any of its Subsidiaries or any Gichner Entity has, in the course of its actions for, or on behalf of, the Company, any of its Subsidiaries or any Gichner Entity (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any domestic government official, "foreign official" (as defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (collectively, the "*FCPA*") or employee from corporate funds; (iii) violated or is in violation of any provision of the FCPA or any applicable non-U.S. anti-bribery statute or regulation; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic government official, such foreign official or employee.

(ss) *Money Laundering.* The operations of the Company, its Subsidiaries and Gichner are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the "*Money Laundering Laws*"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company, any of its Subsidiaries or any Gichner Entity with respect to the Money Laundering Laws is pending or, to the Company's knowledge, after due inquiry, threatened.

(tt) *OFAC.* None of the Company, any of its Subsidiaries or, to the Company's knowledge, after due inquiry, any Gichner Entity or any director, officer, agent, employee or Affiliate of the Company or any of its Subsidiaries or other person acting on their behalf is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("*OFAC*"); and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(uu) *Stamp Taxes.* There are no stamp or other issuance or transfer taxes or duties or other similar fees or charges required to be paid in connection with the execution and delivery of this Agreement or the issuance or sale of the Securities.

(vv) *Indebtedness to be Refinanced.* Set forth on *Schedule IV* hereto is a list of all Indebtedness that is to be paid in full using the proceeds of the Offering and terminated, retired or redeemed, as applicable, on the Closing Date. Set forth on *Schedule IV* opposite the description of each such Indebtedness is the aggregate principal amount of Indebtedness outstanding thereunder.

(ww) *Financial Services and Market Act.* The Company has not taken or omitted to take any action and will not take any action or omit to take any action (such as issuing any press release or making any other public announcement referring to the Offering without an appropriate stabilization legend) which may result in the loss by the Initial Purchasers of the ability to rely on any stabilization safe harbour provided by the Financial Services Authority of the United Kingdom under the Financial Services and Markets Act 2000 (the "*FSMA*"); *provided*, *however*, that an appropriate stabilization legend was not in the Preliminary Offering Memorandum or the Pricing Term Sheet. The Company has been informed of the guidance relating to stabilization provided by the Financial Services Authority of the United Kingdom, in particular the guidance contained in Section MAR 2 of the Financial Services Handbook.

(xx) *Certificates*. Each certificate signed by any officer of the Company or any of its Subsidiaries, delivered to the Initial Purchasers shall be deemed a representation and warranty by the Company or any such Subsidiary (and not individually by such officer) to the Initial Purchasers with respect to the matters covered thereby.

5. ***Covenants of the Company and the Guarantors.*** Each of the Company and the Guarantors, jointly and severally, agrees:

(a) *Securities Law Compliance*. To (i) advise the Initial Purchasers promptly after obtaining knowledge (and, if requested by the Initial Purchasers, confirm such advice in writing) of (A) the issuance by any U.S. or non-U.S. federal or state securities commission of any stop order suspending the qualification or exemption from qualification of any of the Securities for offer or sale in any jurisdiction, or the initiation of any proceeding for such purpose by any U.S. or non-U.S. federal or state securities commission or other regulatory authority, or (B) the happening of any event that makes any statement of a material fact made in the Time of Sale Document, any Company Additional Written Communication or the Final Offering Memorandum, untrue or that requires the making of any additions to or changes in the Time of Sale Document, any Company Additional Written Communication, or the Final Offering Memorandum, to make the statements therein, in the light of the circumstances under which they were made, not misleading, (ii) use its reasonable best efforts to prevent the issuance of any stop order or order suspending the qualification or exemption from qualification of any of the Securities under any securities or "Blue Sky" laws of U.S. state or non-U.S. jurisdictions and (iii) if, at any time, any U.S. or non-U.S. federal or state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of any of the Securities under any such laws, use its reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

(b) *Offering Documents*. To (i) furnish the Initial Purchasers, without charge, as many copies of the Time of Sale Document and the Final Offering Memorandum, and any amendments or supplements thereto, as the Initial Purchasers may reasonably request, and (ii) promptly prepare, upon the Initial Purchasers' reasonable request, any amendment or supplement to the Time of Sale Document or Final Offering Memorandum that the Initial Purchasers, upon advice of legal counsel, determines may be necessary in connection with Exempt Resales (and the Company and the Guarantors hereby consent to the use of the Time of Sale Document and the Final Offering Memorandum, and any amendments and supplements thereto, by the Initial Purchasers in connection with Exempt Resales).

(c) *Consent to Amendments and Supplements*. Not to amend or supplement the Time of Sale Document or the Final Offering Memorandum prior to the Closing Date, or at any time prior to the completion of the resale by the Initial Purchasers of all the Securities purchased by the Initial Purchasers, unless the Initial Purchasers shall previously have been advised thereof and shall have provided its written consent thereto. Before making, preparing, using, authorizing, approving or referring to any Company Additional Written Communications, the Company will furnish to the Initial Purchasers and counsel for the Initial Purchasers a copy of such written communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Initial Purchasers reasonably objects. The Company and the Guarantors consent to the use by the Initial Purchasers of a Company Additional Written Communication that contains (A) information describing the preliminary terms of the Securities or their offering or (B) information that describes the final terms of the Securities or their offering and that is included in or is subsequently included in the Final Offering Memorandum, including by means of the Pricing Supplement.

(d) *Preparation of Amendments and Supplements to Offering Documents*. So long as the Initial Purchasers shall hold any of the Securities, (i) if any event shall occur as a result of which, in the reasonable judgment of the Company or the Initial Purchasers, it becomes necessary or advisable to amend or supplement the Time of Sale Document or the Final Offering Memorandum to correct any untrue statement of a material fact or omission to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Time of Sale Document or the Final Offering Memorandum to comply with any Applicable Law, to prepare, at the expense of the Company, an appropriate amendment or supplement to the Time of Sale Document and the Final Offering Memorandum (in form and substance reasonably satisfactory to the Initial Purchasers) so that (A) as so amended or supplemented, the Time of Sale Document and the Final Offering Memorandum will not include an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (B) the Time of Sale Document and the Final Offering Memorandum will comply with Applicable Law and (ii) if in the reasonable judgment of the Company it becomes necessary or advisable to amend or supplement the Time of Sale Document or the Final Offering Memorandum so that the Time of Sale Document and the Final Offering Memorandum will contain all of the information specified in, and meet the requirements of, Rule 144A(d)(4) of the Securities Act, to prepare an appropriate amendment or supplement to the Time of Sale Document or the Final Offering Memorandum (in form and substance reasonably satisfactory to the Initial Purchasers) so that the Time of Sale Document or the Final Offering Memorandum, as so amended or supplemented, will contain the information specified in, and meet the requirements of, such Rule.

(e) *"Blue Sky" Law Compliance*. To cooperate with the Initial Purchasers and the Initial Purchasers' counsel in connection with the qualification of the Securities under the securities or "Blue Sky" laws of U.S. state or non-U.S. jurisdictions as the Initial Purchasers may request and continue such qualification in effect so long as reasonably required for Exempt Resales. The Company will advise the Initial Purchasers promptly of the suspension of any such exemption relating to the Securities for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(f) *Payment of Expenses*. Whether or not any of the Offering or the Transactions are consummated or this Agreement is terminated, to pay (i) all costs, expenses, fees and taxes incident to and in connection with: (A) the preparation, printing and distribution of the Time of Sale Document and the Final Offering Memorandum and all amendments and supplements thereto (including, without

limitation, financial statements and exhibits), and all other agreements, memoranda, correspondence and other documents prepared and delivered in connection herewith, (B) the negotiation, printing, processing and distribution (including, without limitation, word processing and duplication costs) and delivery of, each of the Documents, (C) the preparation, issuance and delivery of the Securities, (D) the qualification of the Securities for offer and sale under the securities or "Blue Sky" laws of U.S. state or non-U.S. jurisdictions (including, without limitation, the reasonable fees and disbursements of the Initial Purchasers' counsel relating to such registration or qualification), (E) furnishing such copies of the Time of Sale Document and the Final Offering Memorandum, and all amendments and supplements thereto, as may reasonably be requested for use by the Initial Purchasers and (F) the performance of the obligations of the Company and the Guarantors obligations under the Registration Rights Agreement, including but not limited to the Exchange Offer, the Exchange Offer Registration Statement and any Shelf Registration Statement, (ii) all fees and expenses of the counsel, accountants and any other experts or advisors retained by the Company or the Guarantors, (iii) all fees and expenses (including fees and expenses of counsel) of the Company or the Guarantors in connection with approval of the Securities by DTC for "book-entry" transfer, (iv) all fees charged by rating agencies in connection with the rating of the Securities, (v) all fees and expenses (including reasonable fees and expenses of counsel) of the Trustee and all collateral agents, (vi) all costs and expenses in connection with the creation and perfection of the security interest to be created and perfected pursuant to the Collateral Agreements (including without limitation, filing and recording fees, search fees, taxes and costs of title policies) and (vii) all other reasonable fees, disbursements and out-of-pocket expenses incurred by the Initial Purchasers in connection with its services to be rendered hereunder including, without limitation, the reasonable fees and disbursements of White & Case LLP, counsel to the Initial Purchasers, reasonable fees and expenses of any other independent experts retained by the Initial Purchasers, travel and lodging expenses, chartering of airplanes, roadshow or investor presentation expenses, word processing charges, the costs of printing or producing any investor presentation materials, messenger and duplicating service expenses, facsimile expenses and other customary expenditures.

(g) *Use of Proceeds*. To use the proceeds of the Offering in the manner described in the Time of Sale Document and the Final Offering Memorandum under the caption "Use of Proceeds."

(h) *Transaction Documents*. To do and perform all things required to be done and performed under the Documents prior to and after the Closing Date.

(i) *Integration*. Not to, and to ensure that no Affiliate of the Company will, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any "security" (as defined in the Securities Act) that would be integrated with the sale of the Securities in a manner that would require the registration under the Securities Act of the sale to the Initial Purchasers or to the Subsequent Purchasers of the Securities.

(j) *Stabilization or Manipulation*. Not to take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Securities or any other reference security, whether to facilitate the sale or resale of the Securities or otherwise.

(k) *DTC*. To comply with the representation letter of the Company to DTC relating to the approval of the Securities by DTC for "book-entry" transfer.

(l) *Rule 144(A) Information*. For so long as any of the Securities remain outstanding, during any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act, to make available, upon request, to any owner of the Securities in connection with any sale thereof and any prospective Subsequent Purchasers of such Securities from such owner, the information required by Rule 144A(d)(4) under the Securities Act.

(m) *Furnish Trustee and Noteholder Reports*. For so long as any of the Securities remain outstanding, to furnish to the Initial Purchasers copies of all reports and other communications (financial or otherwise) furnished by the Company to the Trustee or to the holders of the Securities and, as soon as available, copies of any reports or financial statements furnished to or filed by the Company with the SEC or any national securities exchange on which any class of securities of the Company may be listed.

(n) *Additional Offering Materials*. Except in connection with the Exchange Offer or the filing of the Shelf Registration Statement, not to, and not to authorize or permit any person acting on its behalf to, (i) distribute any offering material in connection with the offer and sale of the Securities other than the Time of Sale Document and the Final Offering Memorandum and any amendments and supplements to the Preliminary Offering Memorandum or the Final Offering Memorandum prepared in compliance with this Agreement, (ii) solicit any offer to buy or offer to sell the Securities by means of any form of general solicitation or general advertising (including, without limitation, as such terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act, or (iii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *Sale of Restricted Securities*. During the one year period after the Closing Date (or such shorter period as may be provided for in Rule 144 under the Securities Act, as the same may be in effect from time to time), to not, and to not permit any current or future Subsidiaries of either the Company or any other Affiliates controlled by the Company to, resell any of the Securities which constitute "restricted securities" under Rule 144 that have been reacquired by the Company, any current or future Subsidiaries or any other Affiliates controlled by the Company, except pursuant to an effective registration statement under the Securities Act.

(p) *Stamp Taxes*. To pay all stamp or other issuance or transfer taxes or duties other similar fees or charges which may be imposed by any governmental or regulatory authority in connection with the execution and delivery of this Agreement or the issuance or sale of the Securities.

(q) *Security Interests*. To complete on or prior to the Closing Date all filings and other similar actions required in connection with the perfection of security interests as and to the extent contemplated by the Collateral Agreements.

(r) *Good Standings*. To deliver to the Initial Purchasers on the date hereof satisfactory evidence of the good standing of the Company and its Subsidiaries in their respective jurisdictions of organization and the good standing of the Company and its Subsidiaries in such other jurisdictions as the Initial Purchasers may reasonably request and, on the Closing Date, "bring down" evidence of the same, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(s) *Investment Company.* Each of the Company and its Subsidiaries will conduct its business in a manner so as to not be required to register under the Investment Company Act.

(t) *Gichner as Guarantor.* Concurrent with the consummation of the Acquisition, the Company shall cause each Gichner Entity to (a) become a party to each of this Agreement and the Registration Rights Agreement as a Guarantor by executing and delivering a joinder agreement in the form of *Exhibit B* hereto to the Initial Purchasers and (ii) become a Guarantor under the Indenture.

6. ***Representations and Warranties of the Initial Purchasers.*** Each Initial Purchaser, severally and not jointly, represents and warrants to the Company that:

(a) *Initial Purchaser Status, Resale Terms*. It is a QIB and it will offer the Securities for resale only upon the terms and conditions set forth in this Agreement and in the Time of Sale Document and the Final Offering Memorandum.

(b) *Sale of Restricted Exchange Securities*. It will solicit offers to buy the Securities only from, and will offer and sell the Securities only to, persons reasonably believed by the Initial Purchaser (A) to be QIBs or (B) to not be "U.S. persons" (as defined under Regulation S under the Securities Act) and in compliance with laws applicable to such persons in jurisdictions outside of the United States; *provided*, *however*, that in purchasing such Securities, such persons are deemed to have represented and agreed as provided under the caption "Notice to Investors" contained in the Time of Sale Document and the Final Offering Memorandum.

(c) *General Solicitation*. No form of general solicitation or general advertising in violation of the Securities Act has been or will be used nor will any offers in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or, with respect to Securities to be sold in reliance on Regulation S, by means of any directed selling efforts be made by such Initial Purchaser or any of its representatives in connection with the offer and sale of any of the Securities.

7. ***Conditions.*** The obligations of the Initial Purchasers to purchase the Securities under this Agreement are subject to the performance by each of the Company and the Guarantors of their respective covenants and obligations hereunder and the satisfaction of each of the following conditions:

(a) *Representations, Warranties and Agreements*. All the representations and warranties of the Company and the Guarantors contained in this Agreement and in each of the other Documents shall be true and correct as of the date hereof and at the Closing Date. On or prior to the Closing Date, the Company and each other party to the Documents (other than the Initial Purchasers) shall have performed or complied with all of the agreements and satisfied all conditions on their respective parts to be performed, complied with or satisfied pursuant to the Documents (other than conditions to be satisfied by such other parties, which the failure to so satisfy would not, individually or in the aggregate, have a Material Adverse Effect). It is understood and agreed that, for purposes of this Agreement, in the event that the Initial Purchasers determine that a Material Adverse Effect or a Material Adverse Change has occurred and the Company or a Guarantor seeks to dispute such determination, the Company or such Guarantor shall bear the burden of proof to demonstrate by clear and convincing evidence that a Material Adverse Effect or a Material Adverse Change, as applicable, has not occurred.

(b) *Closing Deliverables.* The Initial Purchasers shall have received on the Closing Date:

(i) *Officers' Certificate.* Certificates dated the Closing Date, signed by (1) the Chief Executive Officer and (2) the principal financial or accounting officer of the Company and the Guarantors, on behalf of the Company and the Guarantors, to the effect that (a) the representations and warranties set forth in Section 4 hereof, in each of the Documents and the Perfection Certificate are true and correct in all material respects with the same force and effect as though expressly made at and as of the Closing Date, (b) the Company and the Guarantors have performed and complied with all agreements and satisfied all conditions in all material respects on its part to be performed or satisfied at or prior to the Closing Date, (c) at the Closing Date, since the date hereof or since the date of the most recent financial statements in the Time of Sale Document and the Final Offering Memorandum (exclusive of any amendment or supplement thereto after the date hereof), no event or events have occurred, no information has become known nor does any condition exist that, individually or

in the aggregate, would have a Material Adverse Effect, (d) since the date of the most recent financial statements in the Time of Sale Document and the Final Offering Memorandum (exclusive of any amendment or supplement thereto after the date hereof), other than as described in the Time of Sale Document and the Final Offering Memorandum or contemplated hereby, neither the Company, the Guarantors nor any other Subsidiary has incurred any liabilities or obligations, direct or contingent, not in the ordinary course of business, that are material to the Company and its Subsidiaries, taken as a whole, or entered into any transactions not in the ordinary course of business that are material to the business, condition (financial or otherwise) or results of operations or prospects of the Company and its Subsidiaries, taken as a whole, and there has not been any change in the capital stock or long-term indebtedness of the Company, the Guarantors or any other Subsidiary of the Company that is material to the business, condition (financial or otherwise) or results of operations or prospects of the Company and its Subsidiaries, taken as a whole, and (e) the sale of the Securities has not been enjoined (temporarily or permanently).

(ii) *Secretary's Certificate.* A certificate, dated the Closing Date, executed by the Secretary of the Company and each Guarantor, certifying such matters as the Initial Purchasers may reasonably request.

(iii) *Good Standing Certificates.* A certificate evidencing qualification by such entity as a foreign corporation in good standing issued by the Secretaries of State (or comparable office) of each of the jurisdictions in which each of the Company and the Guarantors operates as of a date within five days prior to the Closing Date.

(iv) *Solvency Certificate.* A certificate of solvency, dated the Closing Date, executed by the chief financial officer of the Company in the form of *Exhibit C* attached hereto.

(v) *CFO Certificates*. A certificate, dated the date hereof, executed by the chief financial officer of the Company, certifying to such financial information, data and other information contained in the Time of Sale Document and the Final Offering Memorandum as Jefferies may reasonably request.

(vi) *Company Counsel Opinion.* The opinion of Morrison & Foerster, LLP, counsel to the Company, dated the Closing Date, in the form of *Exhibit D* attached hereto.

(vii) *Opinion of Sheppard Mullin Richter & Hampton LLP*. The opinion of Sheppard Mullin Richter & Hampton LLP, counsel to the Company, regarding security interests and collateral matters, dated the Closing Date, in the form of *Exhibit E* attached hereto.

(viii) *Local Counsel Opinion.* Each of the local counsel to the Company listed on Schedule V hereto or otherwise agreed upon by the Initial Purchasers shall have furnished to the Initial Purchasers, at the request of the Company, its written opinion, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers.

(ix) *Initial Purchaser Counsel Opinion.* An opinion, dated the Closing Date, of White & Case LLP, counsel to the Initial Purchasers, in form satisfactory to the Initial Purchasers covering such matters as are customarily covered in such opinions.

(x) *Comfort Letters.* The Initial Purchasers shall have received from each of Grant Thornton LLP, the registered public or certified public accountants of the Company, and from Plante & Moran, PLLC, the registered public or certified public accountants of Gichner, (A) a customary initial comfort letter delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), dated the date hereof, in form and substance reasonably satisfactory to the Initial Purchasers and their counsel, with respect to the financial statements

and certain financial information contained in the Time of Sale Document and the Final Offering Memorandum, and (B) a customary "bring-down" comfort letter, dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers and their counsel, which includes, among other things, a reaffirmation of the statements made in the initial letter furnished pursuant to clause (A) with respect to such financial statements and financial information contained in the Time of Sale Document and the Final Offering Memorandum.

(c) *Executed Documents.* The Initial Purchasers shall have received fully executed originals of each Document (each of which shall be in full force and effect on terms reasonably satisfactory to the Initial Purchasers), and each opinion, certificate, letter and other document to be delivered in connection with the Offering or any other Transaction.

(d) *Collateral.*

(A) The Collateral Agent shall have received on the Closing Date the following, in the form and substance reasonably satisfactory to the Initial Purchasers:

(i) appropriately completed copies of Uniform Commercial Code financing statements naming the Company and each Guarantor as a debtor and the Collateral Agent as the secured party, or other similar instruments or documents to be filed under the Uniform Commercial Code of all jurisdictions as may be necessary or, in the reasonable opinion of the Collateral Agent and its counsel, desirable to perfect the security interests of the Collateral Agent pursuant to the Collateral Agreements;

(ii) appropriately completed copies of Uniform Commercial Code Form UCC 3 termination statements, if any, necessary to release all Liens (other than Permitted Liens) of any person in any collateral described in any Collateral Agreement previously granted by any person;

(iii) certified copies of Uniform Commercial Code Requests for Information or Copies (Form UCC 11), or a similar search report certified by a party acceptable to the Collateral Agent, dated a date reasonably near to the Closing Date, listing all effective financing statements which name the Company or any Guarantor (under its present name and any previous names) as the debtor, together with copies of such financing statements (none of which shall cover any collateral described in any Collateral Agreement, other than such financing statements that evidence Permitted Liens);

(iv) such other approvals, opinions, or documents as the Collateral Agent may reasonably request in form and substance reasonably satisfactory to the Collateral Agent;

(B) The Collateral Agent and its counsel shall be satisfied that (a) the Lien granted to the Collateral Agent, for the benefit of the Secured Parties in the collateral described above is of the priority described in the Time of Sale Document and the Final Offering Memorandum and (b) no Lien exists on any of the collateral described above, other than the Lien created in favor of the Collateral Agent, for the benefit of the Secured Parties pursuant to a Collateral Agreement in each case subject to the Permitted Liens;

(C) All Uniform Commercial Code financing statements or other similar financing statements and Uniform Commercial Code Form UCC-3 termination statements required pursuant to clause (g)(A)(i) and (g)(A)(ii) above (collectively, the "*UCC Statements*") shall have been delivered to CT Corporation System or another similar filing service company acceptable to the Collateral Agent (the "*Filing Agent*"). The Filing Agent shall have acknowledged in a writing that is reasonably satisfactory to the Collateral Agent and its counsel (i) the Filing Agent's receipt of all UCC Statements, (ii) that the UCC Statements have either been submitted for filing in the appropriate filing offices or will be submitted for filing in the

appropriate offices within ten days following the Closing Date and (iii) that the Filing Agent will notify the Collateral Agent and its counsel of the results of such submissions within 30 days following the Closing Date.

(e) *Refinancing.* The Initial Purchasers shall have received substantially contemporaneously with the Closing Date a copy of the receipt of a payoff letter from each of the institutions listed on *Schedule IV* attached hereto.

(f) All conditions precedent to the Acquisition in the Stock Purchase Agreement shall have been satisfied or waived.

(g) The credit agreement governing the New Credit Facility shall have been executed and delivered by all parties thereto.

(h) *Additional Parties.* Each Gichner Entity shall have executed the joinder agreement to this Agreement and delivered copies of each such executed documents to the Initial Purchasers.

(i) *No Material Adverse Change*. Subsequent to the respective dates as of which information is given in the Time of Sale Document (exclusive of any amendment or supplement thereto), there shall not have been any Material Adverse Change that could, in the sole judgment of Jefferies be expected to (i) make it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Document and the Final Offering Memorandum, or (ii) materially impair the investment quality of any of the Securities.

(j) *No Hostilities.* Any outbreak or escalation of hostilities or other national or international calamity or crisis, including acts of terrorism, or material adverse change or disruption in economic conditions in, or in the financial markets of, the United States (it being understood that any such change or disruption shall be relative to such conditions and markets as in effect on the date hereof), if the effect of such outbreak, escalation, calamity, crisis, act or material adverse change in the economic conditions in, or in the financial markets of, the United States could be reasonably expected to make it, in the sole judgment of Jefferies, impracticable or inadvisable to market or proceed with the offering or delivery of the Securities on the terms and in the manner contemplated in the Time of Sale Document and the Final Offering Memorandum or to enforce contracts for the sale of any of the Securities.

(k) *No Suspension in Trading; Banking Moratorium.* (i) Trading in the Company's common stock shall have been suspended by the SEC or the NASDAQ Global Market or a suspension or limitation of trading generally in securities on the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or any setting of limitations on prices for securities occurs on any such exchange or market or (ii) the declaration of a banking moratorium by any Governmental Authority has occurred or the taking of any action by any Governmental Authority after the date hereof in respect of its monetary or fiscal affairs that, in the case of clause (i) or (ii) of this paragraph, in the sole judgment of Jefferies could reasonably be expected to have a material adverse effect on the financial markets in the United States or elsewhere.

(l) *Corporate Proceedings*. All corporate proceedings and other legal matters incident to the authorization, form and validity of the Documents and the Transactions and all other legal matters relating of the offering, issuance and sale of the Securities and the Transactions shall be reasonably satisfactory in all material respects to counsel to the Initial Purchaser; and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(m) *No Material Applicable Laws or Proceedings.* (i) No Applicable Law shall have been enacted, adopted or issued and (ii) no stop order suspending the qualification or exemption from

qualification of any of the Securities in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or, to the Company's knowledge, after due inquiry, be pending or contemplated as of the Closing Date that, would, as of the date hereof and at the Closing Date, restrain, enjoin, prevent or interfere with the consummation of the Offering or any of the Transactions or would, individually or in the aggregate, have a Material Adverse Effect.

8. ***Indemnification and Contribution.***

(a) *Indemnification by the Company and the Guarantors*. The Company and each of the Guarantors jointly and severally agree to indemnify and hold harmless the Initial Purchasers, its affiliates, directors, officers and employees, and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any losses, claims, damages or liabilities of any kind to which the Initial Purchasers, affiliate, director, officer, employee or such controlling person may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company, insofar as any such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in the Time of Sale Document, any Company Additional Written Communication or the Final Offering Memorandum, or any amendment or supplement thereto; or

(ii) the omission or alleged omission to state, in the Time of Sale Document, any Company Additional Written Communication or the Final Offering Memorandum, or any amendment or supplement thereto, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

and, subject to the provisions hereof, will reimburse, as incurred, the Initial Purchasers and its affiliates, directors, officers, employees and each such controlling persons for any legal or other expenses incurred by such person in connection with investigating, defending against, settling, compromising, paying or appearing as a third-party witness in connection with any such loss, claim, damage, liability, expense or action in respect thereof; *provided*, *however*, the Company and the Guarantors will not be liable in any such case to the extent (but only to the extent) that a court of competent jurisdiction shall have determined by a final, unappealable judgment that such loss, claim, damage, liability or expense resulted solely from any untrue statement or alleged untrue statement or omission or alleged omission made in the Time of Sale Document, any Company Additional Written Communication or the Final Offering Memorandum or any amendment or supplement thereto in reliance upon and in conformity with written information concerning the Initial Purchasers furnished to the Company by the Initial Purchasers specifically for use therein, it being understood and agreed that the only such information furnished by the Initial Purchasers to the Company consists of the information set forth in Section 13. The indemnity agreement set forth in this Section shall be in addition to any liability that the Company and the Guarantors may otherwise have to the indemnified parties.

(b) *Indemnification by the Initial Purchasers*. Each Initial Purchaser agrees severally and not jointly to indemnify and hold harmless each of the Company, each of the Guarantors and their respective directors, officers and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any losses, claims, damages, liabilities or expenses to which the Company, such Guarantors or any such director, officer or controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as a court of competent jurisdiction shall have determined by a final, unappealable judgment that such losses, claims, damages, liabilities or expenses (or actions in respect thereof) have resulted solely from (i) any untrue statement or alleged untrue statement of

any material fact contained in the Time of Sale Document or the Final Offering Memorandum or any amendment or supplement thereto or (ii) the omission or the alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent (but only to the extent) that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning the Initial Purchasers furnished to the Company by the Initial Purchasers specifically for use therein as set forth in Section 13; and, subject to the limitation set forth immediately preceding this clause, will reimburse, as incurred, any legal or other expenses incurred by the Company, each of the Guarantors or any such director, officer or controlling person in connection with any such loss, claim, damage, liability, expense or action in respect thereof. The indemnity agreement set forth in this Section shall be in addition to any liability that the Initial Purchasers may otherwise have to the indemnified parties.

(c) *Notifications and Other Indemnification Procedures*. As promptly as reasonably practicable after receipt by an indemnified party under this Section of notice of the commencement of any action for which such indemnified party is entitled to indemnification under this Section, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section, notify the indemnifying party of the commencement thereof in writing; but the omission to so notify the indemnifying party (i) will not relieve such indemnifying party from any liability under Section 8(a) or (b) above unless and only to the extent it is materially prejudiced as a proximate result thereof and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in Section 8(a) and (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may elect, jointly with any other indemnifying party similarly notified by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; *provided*, *however*, that if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnified party shall have concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be one or more legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, or (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after receipt by the indemnifying party of notice of the institution of such action, then, in each such case, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties at the expense of the indemnifying party. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the immediately preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the fees and expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Initial Purchasers in the case of Section 8(a) or the

Company in the case of Section 8(b), representing the indemnified parties under such Section 8(a) or (b), as the case may be, who are parties to such action or actions), (ii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party or (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party and shall be paid as they are incurred. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld), unless such indemnified party waived in writing its rights under this Section, in which case the indemnified party may effect such a settlement without such consent.

(d) *Settlements*. No indemnifying party shall be liable under this Section for any settlement of any claim or action (or threatened claim or action) effected without its written consent, which shall not be unreasonably withheld, but if a claim or action settled with its written consent, or if there be a final judgment for the plaintiff with respect to any such claim or action, each indemnifying party jointly and severally agrees, subject to the exceptions and limitations set forth above, to indemnify and hold harmless each indemnified party from and against any and all losses, claims, damages or liabilities (and legal and other expenses as set forth above) incurred by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement or compromise of any pending or threatened proceeding in respect of which the indemnified party is or could have been a party, or indemnity could have been sought hereunder by the indemnified party, unless such settlement (A) includes an unconditional written release of the indemnified party, in form and substance satisfactory to the indemnified party, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to an admission of fault, culpability or failure to act by or on behalf of the indemnified party.

(e) *Contribution*. In circumstances in which the indemnity agreements provided for in this Section is unavailable to, or insufficient to hold harmless, an indemnified party in respect of any losses, claims, damages, liabilities or expenses (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contributions, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties, on the one hand, and the indemnified party, on the other hand, from the Offering or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties, on the one hand, and the indemnified party, on the other hand, in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof). The relative benefits received by the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall be deemed to be in the same proportion as the total proceeds from the Offering (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Initial Purchasers. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Initial Purchasers pursuant to Section 8(b) above, on the other hand, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omissions, and any other equitable considerations appropriate in the circumstances.

(f) *Equitable Consideration.* The Company, the Guarantors and the Initial Purchasers agree that it would not be equitable if the amount of such contribution determined pursuant to Section 8(e) were determined by pro rata or per capita allocation or by any other method of allocation that does not take into account the equitable considerations referred to in Section 8(e). Notwithstanding any other provision of this Section, the Initial Purchasers shall not be obligated to make contributions hereunder that in the aggregate exceed the total discounts, commissions and other compensation received by such Initial Purchasers under this Agreement, less the aggregate amount of any damages that such Initial Purchasers have otherwise been required to pay by reason of the untrue or alleged untrue statements or the omissions or alleged omissions to state a material fact. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligation to contribute hereunder shall be several in proportion to their respective purchase obligations hereunder and not joint. For purposes of Section 8(e), each director, officer and employee of each Initial Purchaser, and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Initial Purchasers, and each director, officer and employee of the Company and the Guarantors, and each person, if any, who controls the Company or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company and the Guarantors.

9. ***Termination.*** Jefferies may terminate this Agreement at any time prior to the Closing Date by written notice to the Company if any of the events described in Sections 7(h) (No Material Adverse Change), 7(i) (No Hostilities) or 7(j) (No Suspension in Trading; Banking Moratorium) shall have occurred or if the Initial Purchasers shall decline to purchase the Securities for any reason permitted by this Agreement. Any termination pursuant to this Section shall be without liability on the part of (a) the Company or the Guarantors to the Initial Purchasers, except that the Company and the Guarantors shall be obligated to reimburse the expenses of the Initial Purchasers pursuant to Section 5(f) hereof or (b) the Initial Purchasers to the Company or the Guarantors, except, in the case of each of clauses (a) and (b), that the provisions of Sections 9 and 10 hereof shall at all times be effective and shall survive such termination.

10. ***Survival.*** The representations and warranties, covenants, indemnities and contribution and expense reimbursement provisions and other agreements of the Company and the Guarantors set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchasers, (ii) the acceptance of the Securities, and payment for them hereunder, and (iii) any termination of this Agreement.

11. ***Defaulting Initial Purchaser.*** If, on the Closing Date, any one of the Initial Purchasers shall fail or refuse to purchase Securities that it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Securities which such defaulting Initial Purchaser agreed but failed or refused to purchase is not more than one tenth of the aggregate principal amount of Securities to be purchased on such date, the other Initial Purchasers shall be obligated severally in the proportions that the principal amount of Securities set forth opposite their respective names in *Schedule I* hereto bears to the aggregate principal amount of Securities set forth opposite the names of all such non defaulting Initial Purchasers to purchase the Securities which such defaulting Initial Purchaser agreed but failed or refused to purchase on such date. If, on the Closing Date any Initial Purchaser shall fail or refuse to purchase Securities which it or they have agreed to purchase hereunder on such date and the aggregate principal amount of Securities with respect to which such default occurs is more than one tenth of the aggregate principal amount of Securities to be purchased on such date, and arrangements satisfactory to the non-defaulting Initial Purchasers and the Company for the

purchase of such Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers or of the Company or any Guarantor. Any action taken under this Section shall not relieve any defaulting Initial Purchaser from liability in respect of any default of such Initial Purchaser under this Agreement.

12. ***No Fiduciary Relationship.*** The Company and the Guarantors hereby acknowledge that each Initial Purchaser is acting solely as initial purchaser in connection with the purchase and sale of the Securities. The Company and the Guarantors further acknowledge that the Initial Purchaser is acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Initial Purchaser act or be responsible as a fiduciary to either the Company, the Guarantors or their respective management, stockholders or creditors or any other person in connection with any activity that the Initial Purchaser may undertake or have undertaken in furtherance of the purchase and sale of the Securities, either before or after the date hereof. The Initial Purchasers hereby expressly disclaim any fiduciary or similar obligations to either the Company or the Guarantors, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company and the Guarantors hereby confirm their understanding and agreement to that effect. The Company, the Guarantors and the Initial Purchasers agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Initial Purchasers to the Company and the Guarantors regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Securities, do not constitute advice or recommendations to the Company and the Guarantors. The Company and the Guarantors hereby waive and release, to the fullest permitted by law, any claims that either of the Company or the Guarantors may have against the Initial Purchasers with respect to any breach or alleged breach of any fiduciary or similar duty to the Company or the Guarantors in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

13. ***Information Supplied by Initial Purchasers.*** Each of the Company and the Guarantors hereby acknowledges that, for purposes of Section 4(c) and Section 8, the only information that the Initial Purchasers have furnished to the Company specifically for use in the Preliminary Offering Memorandum or the Final Offering Memorandum are the statements set forth in (a) the first sentence of the fourth paragraph and (b) the third sentence of the fifth paragraph under the caption "Plan of Distribution" in the Preliminary Offering Memorandum and the Final Offering Memorandum.

14. ***Miscellaneous.***

(a) *Notices*. Notices given pursuant to any provision of this Agreement shall be addressed as follows: (i) if to the Company, to:

Kratos Defense & Security Solutions, Inc.
4820 Eastgate Mall
San Diego, CA 92121
Tel: (858) 812-7300
Fax: (858) 812-7301
Attention: Deanna Lund

with a copy to:

Morrison & Foerster LLP
12531 High Bluff Drive
San Diego, CA 92130
Tel: (858) 720-5100
Fax: (858) 720-5125
Attention: Scott Stanton, Esq.

and (ii) if to the Initial Purchasers, to:

Jefferies & Company, Inc.
520 Madison Avenue
New York, NY 10022
Attention: General Counsel

and

B. Riley & Co., LLC
11100 Santa Monica Blvd. Suite 800
Los Angeles, CA 90025
Attention: General Counsel

Imperial Capital, LLC
2000 Avenue of the Stars
9th Floor South
Los Angeles, CA 90067
Attention: General Counsel

Keybanc Capital Markets Inc.
127 Public Square
Cleveland, Ohio 44114-1306
Attention: General Counsel

Noble International Investments, Inc.
6501 Congress Avenue
Boca Raton, FL 33487
Attention: General Counsel

(or in any case to such other address as the person to be notified may have requested in writing).

(b) *Beneficiaries.* This Agreement has been and is made solely for the benefit of and shall be binding upon the Company, the Guarantors, the Initial Purchasers and to the extent provided in Section 8 hereof, the controlling persons, affiliates, officers, directors, partners, employees, representatives and agents referred to in Section 8 hereof and their respective heirs, executors, administrators, successors and assigns, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of any of the Securities from the Initial Purchasers merely because of such purchase. Notwithstanding the foregoing, it is expressly understood and agreed that each purchaser who purchases Securities from the Initial Purchasers is intended to be a beneficiary of the covenants of the Company and the Guarantors contained in the Registration Rights Agreement to the same extent as if the Securities were sold and those covenants were made directly to such purchaser by the Company and the Guarantors, and each such purchaser shall have the right to take action against the Company and the Guarantors to enforce, and obtain damages for any breach of, those covenants.

(c) *Governing Law; Jurisdiction; Waiver of Jury Trial; Venue*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. Each of the Company and the Guarantors hereby expressly and irrevocably (i) submits to the non-exclusive jurisdiction of the federal and state courts sitting in the Borough of Manhattan in the City of New York in any suit or proceeding arising out of or relating to this Agreement or the Transactions, and (ii) waives (a) its right to a trial by jury in any legal action or proceeding relating to this Agreement, the Transactions or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the Initial Purchasers and for any counterclaim related to any of the foregoing and

(b) any obligation which it may have or hereafter may have to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum.

(d) *Entire Agreement; Counterparts*. This Agreement, together with the Engagement Letter, constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(e) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(f) *Separability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(g) *Amendment*. This Agreement may be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may be given, *provided* that the same are in writing and signed by all of the signatories hereto.

(h) *Agreement Among Initial Purchasers.* Any action by the Initial Purchasers hereunder may be taken by Jefferies on behalf of the Initial Purchasers, and any such action taken by Jefferies shall be binding upon each of the Initial Purchasers.

Please confirm that the foregoing correctly sets forth the agreement between the Company, the Guarantors and the Initial Purchasers.

Very truly yours,

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

AI METRIX, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

DEFENSE SYSTEMS, INCORPORATED

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

DIGITAL FUSION SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

DIGITAL FUSION, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

DTI ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

HAVERSTICK CONSULTING, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

HAVERSTICK GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

HGS HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

JMA ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

KRATOS COMMERCIAL SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

KRATOS GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

KRATOS MID-ATLANTIC, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

KRATOS SOUTHEAST, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

KRATOS SOUTHWEST, L.P.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

KRATOS TEXAS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

MADISON RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

POLEXIS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

REALITY BASED IT SERVICES, LTD.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

ROCKET SUPPORT SERVICES, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

SHADOW I, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

SHADOW II, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

SHADOW III, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

SUMMIT RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

SYS

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

WFI NMC CORP.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President and Chief Financial Officer

Accepted and Agreed to:

JEFFERIES & COMPANY, INC.

By: /s/ Kevin Lockhart

Name: Kevin Lockhart
Title: Managing Director

B. RILEY & CO., LLC

By: /s/ Bryant Riley

Name: Bryant Riley
Title: Chairman

IMPERIAL CAPITAL, LLC

By: /s/ Mark Martis

Name: Mark Martis
Title: Chief Operating Officer

KEYBANC CAPITAL MARKETS INC.

By: /s/ Gary E. Andrews

Name: Gary E. Andrews
Title: Managing Director

NOBLE INTERNATIONAL INVESTMENTS, INC.

By: /s/ Nico P. Pronk

Name: Nico P. Pronk
Title: President

QuickLinks

Exhibit 10.2

SECURITY AGREEMENT

This SECURITY AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made as of the 19th day of May, 2010 by:

(a) KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation (the "*Company*");

(b) each Subsidiary, as hereinafter defined, that is listed on *Exhibit A* hereto, and any other Subsidiary that hereafter becomes a party hereto (such Subsidiaries, together with the Company, each, a "*Grantor*" and collectively, the "*Grantors*"), jointly and severally, in favor of;

(c) WILMINGTON TRUST FSB ("*Wilmington*"), as the collateral agent under the Indenture, as hereinafter defined (the "*Collateral Agent*"), for the benefit of the Secured Parties, as hereinafter defined.

1. *Recitals.*

WHEREAS, the Company and Wilmington, as Collateral Agent and as trustee (in such capacity, the "*Trustee*"), have entered into an Indenture, dated as of May 19, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "*Indenture*"), pursuant to which the Company has issued 10% Senior Secured Notes due June 1, 2017 in a principal amount of $225,000,000 (and, together with any additional notes that may be issued by the Company from time to time thereunder or exchanged therefor or for such additional notes, the "*Notes*");

WHEREAS, each Subsidiary of the Company is required under the Indenture to (a) become a party to the Indenture and deliver a Guarantee to guarantee the payment of the Notes and the other Obligations of the Company thereunder and the other Indenture Documents to which the Company is a party and (b) become a party hereto as a Grantor and secure its Obligations under the Indenture, such Guarantee and the other Indenture Documents to which it is a party pursuant to the terms hereof;

WHEREAS, the Company and Keybank National Association (the "*Administrative Agent*") have entered into (a) that certain Credit and Security Agreement dated as of May 19, 2010 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "*Credit Agreement*"), and (b) one or more pledge agreements, dated as of May 19, 2010, pursuant to which the Grantors have granted a security interest in the Collateral in favor of the Administrative Agent;

WHEREAS, the Collateral Agent and the Administrative Agent have entered into that certain Intercreditor Agreement, dated as of May 19, 2010 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "*Intercreditor Agreement*"), which agreement, among other things, sets forth, as between the Collateral Agent and the Administrative Agent, the relative priority of their respective Liens in the Collateral and their rights with respect thereto;

WHEREAS, the Company desires to secure its Obligations under the Notes, the Indenture and each other Indenture Document to which it becomes a party and each other Grantor that becomes a party hereto desires to secure its Guarantee, the Indenture and each other Indenture Document to which it becomes a party by granting to Collateral Agent, for the benefit of itself, the Trustee and the Secured Parties, security interests in the Collateral as set forth herein; and

WHEREAS, to induce the Initial Purchaser to purchase the Notes, each Holder to hold the Notes to be held by it and Wilmington to act in its capacities as Trustee and Collateral Agent, each Grantor desires to pledge, grant, transfer, and assign to Collateral Agent, for the benefit of itself, the Holders and the Trustee, a security interest in the Collateral to secure the Obligations, as provided herein.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are

hereby acknowledged, and each intending to be bound hereby, Collateral Agent and each Grantor agree as follows:

2. *Definitions.* Except as specifically defined herein, (a) capitalized terms used herein that are defined in the Indenture shall have their respective meanings ascribed to them in the Indenture, and (b) unless otherwise defined in the Indenture, terms that are defined in the U.C.C. are used herein as so defined. As used in this Agreement, the following terms shall have the following meanings:

"*Account*" means an account, as that term is defined in the U.C.C.

"*Account Debtor*" means any Person obligated to pay all or any part of any Account in any manner and includes (without limitation) any guarantor thereof or other accommodation party therefor.

"*Additional Documents*" is defined in Section 5.1(b).

"*Administrative Agent*" is defined in the third paragraph of the recitals hereto.

"*Agreement*" has the meaning set forth in the preamble hereto.

"*Assigned Government Contract*" means all Government Contracts that (a) are for an amount in excess of Five Hundred Thousand Dollars ($500,000) or, (b) pursuant to the terms of Section 12 hereof, are required to be subject to an Instrument of Assignment and Notice of Assignment of Claims.

"*Books*" means, with respect to each Grantor, all of such Grantor's now owned or hereafter acquired books and records (including all of its Records indicating, summarizing, or evidencing its assets (including the Collateral) or liabilities, all of such Grantor's Records relating to its business operations or financial condition, and all of its goods or General Intangibles related to such information).

"*Cash Collateral Account*" means a commercial Deposit Account designated "cash collateral account" and maintained by one or more Grantors with a depository institution acceptable to the Collateral Agent, from which the Collateral Agent shall have the exclusive right to withdraw funds until all of the Obligations are paid in full.

"*Cash Security*" means all cash, instruments, Deposit Accounts, and other cash equivalents, whether matured or unmatured, whether collected or in the process of collection, upon which a Grantor presently has or may hereafter have any claim, wherever located, including but not limited to any of the foregoing that are presently or may hereafter be existing or maintained with, issued by, drawn upon, or in the possession of the Collateral Agent or any Secured Party.

"*Collateral*" means

(a) with respect to each Grantor, all of such Grantor's now owned or hereafter acquired right, title, and interest in and to each of the following:

(i) personal property,

(ii) Accounts, Investment Property, instruments, contract rights, chattel paper, documents, supporting obligations, letter-of-credit rights, Pledged Securities, Pledged Notes (if any), Government Contracts, Commercial Tort Claims, General Intangibles, Inventory and Equipment,

(iii) funds now or hereafter on deposit in one or more Cash Collateral Accounts, if any, and

(iv) Cash Security; and

(b) Proceeds of any of the foregoing. Notwithstanding the foregoing and for the avoidance of doubt, the term "Collateral" shall in no event include the Excluded Assets.

"*Commercial Tort Claim*" means a commercial tort claim, as that term is defined in the U.C.C.

"*Commercial Tort Claim Assignment*" is defined in Section 16.

"*Control Agreement*" means, with respect to the applicable Grantor, a control agreement, in form and substance reasonably satisfactory to the Administrative Agent (if the Intercreditor Agreement has not been terminated at the time of the execution of such control agreement), executed and delivered by (a) such Grantor, (b) (i) the Administrative Agent for the benefit of (A) the Lenders and (B) the Collateral Agent for the benefit of the Secured Parties or (ii) if the Intercreditor Agreement has been terminated, the Collateral Agent, and (c) the applicable (i) securities intermediary (with respect to a Securities Account of such Grantor) or (ii) bank (with respect to a Deposit Account of such Grantor).

"*Credit Agreement Priority Collateral*" has the meaning set forth in the Intercreditor Agreement.

"*Default Rate*" has the meaning provided in Section 4.01 of the Indenture.

"*Defeasance*" means, with respect to any obligation, the defeasance thereof pursuant to a Legal Defeasance or Covenant Defeasance as described under Section 8.01 of the Indenture.

"*Deposit Account*" means a deposit account, as that term is defined in the U.C.C.

"*Designated Number*" shall mean, with respect to any Issuer that is (1) a Domestic Subsidiary of a Grantor, all of the Capital Stock of such Issuer held by such Grantor and (2) a Foreign Subsidiary of a Grantor, with respect to its Capital Stock that is (x) not Voting Stock, all of such Capital Stock of such Issuer held by such Grantor and (y) Voting Stock, the largest whole number of shares or units, as the case may be, of Voting Stock of such Issuer held by such Grantor representing not greater than sixty-five percent (65%) of all of the fully diluted issued and outstanding Voting Stock of such Issuer (whether or not owned by such Grantor)

"*Discharge of Credit Facility Claims*" has the meaning set forth in the Intercreditor Agreement.

"*Equipment*" means equipment, as that term is defined in the U.C.C.

"*Event of Default*" means an event or condition that constitutes an Event of Default, as defined in the Indenture.

"*Excluded Capital Stock*" means Capital Stock described in clause (8) of the definition of Excluded Assets.

"*Future Rights*" is defined in Section 3.2 hereto.

"*General Intangibles*" means (a) general intangibles, as that term is defined in the U.C.C.; and (b) choses in action, causes of action, Intellectual Property, customer lists, corporate or other business records, inventions, designs, patents, patent applications, service marks, registrations, trade names, trademarks, copyrights, licenses, goodwill, computer software, rights to indemnification and tax refunds.

"*Government Contract*" means an agreement, a contract or a license to which any Grantor and the United States or any of its departments, agencies or instrumentalities is party.

"*Insolvency or Liquidation Proceeding*" means (a) any voluntary or involuntary case or proceeding under Title 11 of the United States Code and any similar Federal, state or foreign law for the relief of debtors with respect to any Person, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Person or with respect to any of their respective assets, (c) any liquidation, dissolution, reorganization or winding up of any Person whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Person.

"*Instrument of Assignment*" means an Instrument of Assignment, in the form of the attached *Exhibit B*.

"*Intellectual Property*" means, with respect to each Grantor, collectively, all of such Grantor's existing and future right, title and interest in, to and under (a) industrial designs, patents, patent registrations, patent applications, trademarks, trademark registrations, trademark applications, service marks, trade names, and copyright registrations and other intellectual property or registrations, whether federal, state or foreign, including, but not limited to, those that are registered or pending as listed on *Schedule 4.11* hereto (as such *Schedule 4.11* may from time to time be amended, supplemented or otherwise modified); (b) common law trademark rights, rights in trade dress, publicity, works of authorship and other unregistered copyrightable material, improvements, and proprietary and confidential information, including, without limitation, personal, financial, and other sensitive data, plans, know-how, processes, formulae, algorithms and inventions; (c) renewals, continuations, extensions, reissues and divisions of any of the foregoing; (d) rights to sue for past, present and future infringements or any other commercial tort claims relating to any of the foregoing; (e) all licenses and all income, revenue and royalties with respect to any licenses, whether registered or unregistered and all other payments earned under contract rights relating to any of the foregoing; (f) all general intangibles and all intangible intellectual or similar property of such Grantor connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; and (h) all payments under insurance, including the returned premium upon any cancellation of insurance (whether or not the Collateral Agent or any Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing.

"*Intercreditor Agreement*" is defined in the fourth paragraph of the recitals hereto.

"*Intellectual Property Security Agreement*" means an intellectual property security agreement executed and delivered by the applicable Grantor and the Collateral Agent, substantially in the form of *Exhibit F* hereto or such other documents or instruments as may be permitted pursuant to Section 16 thereof.

"*Inventory*" means inventory, as that term is defined in the U.C.C.

"*Investment Property*" means investment property, as that term is defined in the U.C.C., unless the Uniform Commercial Code as in effect in another jurisdiction would govern the perfection and priority of a security interest in investment property, and, in such case, "investment property" shall be defined in accordance with the law of that jurisdiction as in effect from time to time.

"*Issuer*" shall mean, with respect to each Grantor, each of the Persons identified on the attached Exhibit E (or any addendum or supplement thereto) as an Issuer, and any successors thereto, whether by merger or otherwise

"*ITU Application*" shall mean a trademark application filed with the USPTO pursuant to 15 U.S.C. § 1051(b).

"*Notes*" is defined in the first paragraph of the recitals hereto.

"*Notice of Assignment of Claims*" means a Notice of Assignment of Claims, in the form of the attached *Exhibit C*.

"*Obligations*" means all debts, principal, interest (including any interest that, but for the commencement of an Insolvency or Liquidation Proceeding, would have accrued), default interest, premiums, liabilities (including all amounts owed by any Grantor pursuant hereto), obligations (including indemnification obligations), fees, charges, costs, reasonable expenses (including any expenses that, but for the commencement of an Insolvency Proceeding, would have accrued), guaranties, covenants, and duties of any kind and description owing by any Grantor to the Collateral Agent or any other Secured Party pursuant to or evidenced by the Indenture Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent,

due or to become due, now existing or hereafter arising, and including all interest not paid when due and all reasonable expenses that any Grantor is required to pay or reimburse by the Indenture Documents, by law, or otherwise. Any reference in this Agreement to the Obligations shall include all extensions, modifications, renewals or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"*Pledged Interest*" means, with respect to each Issuer, the Designated Number of shares of Capital Stock identified on the attached Exhibit E as Pledged Interests of such Issuer with respect to the Grantor that is a holder of the Capital Stock of such Issuer (or any addendum or supplement thereto);

"*Pledged Notes*" means the promissory notes payable to one or more Grantors, as described on *Exhibit G* hereto, if any, and any additional or future note that may hereafter from time to time be payable to one or more Grantors.

"*Pledged Securities*" means (i) the Pledged Interests and any Future Rights, (ii) any additional Pledged Interests and Future Rights acquired pursuant to Section 3.2 (whether by purchase, dividend, merger, consolidation, sale of assets, split, spin-off, or any other dividend or distribution of any kind or otherwise), (iii) all distributions, dividends, cash, certificates, liquidation rights and interests, options, rights, warrants, instruments or other property from time to time received, receivable or otherwise distributed in respect of or in exchange or substitution for any and all of the Pledged Interests and Future Rights (excluding any of the foregoing items in the preceding clause with respect to an Issuer to the extent and only to the extent that their inclusion would cause (i) the number of shares or units, as the case may be, of Capital Stock pledged under this Agreement to exceed, with respect to such Issuer, the Designated Number or (ii) such Pledged Interests or Future Rights to constitute Excluded Capital Stock, in each case, after giving effect to such issuances), and (iv) such Grantor's right to vote the Pledged Interests and Future Rights.

"*Proceeds*" means (a) proceeds, as defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks, and Deposit Accounts. Proceeds include, without limitation, any Account arising when the right to payment is earned under a contract right, any insurance payable by reason of loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in this Agreement, the right of the Collateral Agent and the Secured Parties to Proceeds specifically set forth herein, or indicated in any financing statement, shall never constitute an express or implied authorization on the part of the Collateral Agent or any Secured Party to a Grantor's sale, exchange, collection, or other disposition of any or all of the Collateral.

"*Record*" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

"*Required Holders*" means with respect to any action or direction, the percentage of Secured Parties required pursuant to the Indenture to take such action or authorize such action or direction.

"*Secured Party*" refers to each of the Holders, the Trustee and the Collateral Agent.

"*Securities Account*" means a securities account, as that term is defined in the U.C.C.

"*Security Agreement Joinder*" means a Security Agreement Joinder, substantially in the form of the attached *Exhibit D*, executed and delivered to the Collateral Agent by a Subsidiary for the purpose of adding an additional Grantor as a party to this Agreement.

"*Trademark Act*" shall mean the U.S. Trademark Act of 1946, as amended.

"*Trustee*" is defined in the first paragraph of the recitals hereto.

"*U.C.C.*" means the Uniform Commercial Code, as in effect from time to time in the State of New York.

"*U.C.C. Financing Statement*" means a financing statement filed or to be filed in accordance with the Uniform Commercial Code, as in effect from time to time in the relevant state or states.

3. *Security Interest.*

3.1 *Grant of Security Interest.* (i) In consideration of and as security for the full and complete payment of all of the Obligations, each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Grantor's Collateral. Each Grantor and the Collateral Agent hereby acknowledge and agree that, with respect to any ITU Application included within the Collateral, to the extent such an ITU Application would, under the Trademark Act, be deemed to be transferred in violation of 15 U.S.C. § 1060(a) as a result of the security interest granted herein, or otherwise invalidated or made unenforceable as a result of the execution or performance of this Agreement, no security interest shall be deemed to have been granted in such ITU Application (notwithstanding the provisions of this Agreement or any other Indenture Document) until such time as the circumstances that would give rise to such violation, invalidation or unenforceability no longer exist.

(ii) If any Pledged Securities are evidenced by certificates, then the Grantor of such Pledged Securities shall concurrently herewith deposit with the Collateral Agent, for the benefit of itself and the other Secured Parties, in accordance with the terms of the Intercreditor Agreement, the Pledged Securities owned by such Grantor on the date hereof and the certificates representing the Pledged Securities endorsed in blank by such Grantor or accompanied by undated stock powers or instruments of transfer, in each case, duly executed in blank by such Grantor. For the avoidance of doubt, if any certificate or instrument representing any Collateral also represents any Capital Stock that constitutes an Excluded Asset described in clause 6 or clause 8 of the definition thereof, the Lien created hereunder shall only attach to the Capital Stock evidenced thereby to the extent such Capital Stock does not constitute an Excluded Asset described in clause 6 or clause 8 of the definition thereof.

(iii) Whether or not any Pledged Securities are evidenced by certificates, the Grantor of such Pledged Securities shall, and hereby authorizes the Collateral Agent to, file a U.C.C. Financing Statement naming such Grantor as debtor and the Collateral Agent as secured party with respect to the Pledged Securities in the applicable filing office and in such form and containing such substance as may be necessary to perfect the security interest of the Pledged Securities Agent in the Collateral by the filing of a U.C.C. Financing Statement; provided, however, that no such authorization shall obligate the Collateral Agent to make any such filing. Notwithstanding anything to the contrary contained in this Agreement, the Collateral Agent shall not as a result of this Agreement be responsible or liable for any obligations or liabilities of such Grantor in such Grantor's capacity as a holder of any Capital Stock of any Issuer, and the Collateral Agent shall not be deemed to have assumed any of such obligations or liabilities.

3.2 *Subsequently Acquired Pledged Securities.* (i) If at any time or from time to time after the date hereof during the term of this Agreement, any Grantor shall acquire any additional Pledged Securities, including any further stock, or equity in each Issuer (whether by purchase, dividend, merger, consolidation, sale of assets, split, spin-off, or any other dividend or distribution of any kind or otherwise) (collectively, the "*Future Rights*") (provided, however, that Future Rights under this clause shall exclude any Future Rights to the extent and only to the extent that (x) their inclusion would cause the number of shares or units, as the case may be, of Capital Stock pledged hereunder to exceed the Designated Number or (y) such Future Rights would constitute Excluded Capital Stock, in each case, after giving effect to the issuance of such Future Rights and any related issuances).

(ii) Such Grantor will forthwith pledge and, if applicable, deposit such additional Pledged Securities with the Collateral Agent, for the benefit of itself and, the other Secured Parties and deliver to the Collateral Agent, for the benefit of itself and the other Secured Parties, certificates or instruments therefor, endorsed in blank by such Grantor or accompanied by undated stock powers or instruments of transfer, in each case, duly executed in blank by such Grantor, and will promptly thereafter deliver to the Collateral Agent, for the benefit of itself and the other Secured Parties, a certificate (which shall be deemed to supplement the attached Exhibit E hereto with respect to such Grantor) executed by such Grantor describing such Pledged Securities and the other Pledged Securities pledged to the Collateral Agent, and certifying that the same have been duly pledged with the Collateral Agent hereunder. For the avoidance of doubt, if any certificate or instrument representing any such additional Pledged Securities also represents any Capital Stock that constitutes an Excluded Asset described in clause 6 or clause 8 of the definition thereof, the Lien created hereunder shall only attach to the Capital Stock evidenced thereby to the extent such Capital Stock does not constitute an Excluded Asset described in clause 6 or clause 8 of the definition thereof.

(iii) Whether or not such additional Pledged Securities are evidenced by certificates, such Grantor shall, and hereby authorizes the Collateral Agent to, file a U.C.C. Financing Statement naming such Grantor as debtor and the Collateral Agent as secured party with respect to the additional Collateral in the applicable filing office and in such form and containing such substance as may be necessary to perfect the security interest of the Collateral Agent in the additional Pledged Securities by the filing of a U.C.C. Financing Statement; provided, however, that no such authorization shall obligate the Collateral Agent to make any such filing.

3.3 *Uncertificated Pledged Securities.* In addition to anything contained in Sections 3.1 and 3.2 hereof, if any Collateral (whether now owned or hereafter acquired) are not certificated or becomes an uncertificated security, the applicable Grantor shall promptly notify the Collateral Agent in writing thereof and shall promptly take all actions required to perfect or improve the perfection of the security interest and pledge in favor of the Collateral Agent under applicable law (including, in any event, any action required or appropriate under this Agreement or the U.C.C.). Such Grantor further agrees to take such actions as may be necessary to permit the Collateral Agent to exercise any of its rights and remedies hereunder.

3.4 *Voting, etc.* Until the occurrence and continuance of an Event of Default, each Grantor shall be entitled to vote any and all of the Pledged Securities; provided; however, that no vote shall be cast or any action taken by such Grantor with respect to any Pledged Securities which would violate or be materially inconsistent with any of the terms of this Agreement, the Indenture, any other Indenture Document, or which would have the effect of materially impairing the position or interests of the Collateral Agent or which would authorize or effect actions prohibited under the terms of the Indenture or any Indenture Document. All such rights of such Grantor to vote any Pledged Securities shall cease upon the occurrence and during the continuance of an Event of Default, if the Collateral Agent so directs and provides notice to such Grantor to do so; provided, however, that upon the cure or waiver of such Event of Default, all rights of the Collateral Agent to vote any and all of the Pledged Securities shall cease.

3.5 *Payments and Other Distributions.* Until the occurrence and continuance of an Event of Default and subject in all cases to the Intercreditor Agreement, all cash, dividends or distributions payable in respect of the Pledged Securities (to the extent such payments shall be permitted pursuant to the terms and provisions of the Indenture) shall be paid to the applicable Grantor; provided, however, upon the occurrence and during the continuance of an Event of Default, all cash dividends or distributions payable in respect of the Pledged Securities shall be paid to the Collateral Agent as security for the Obligations if the Collateral Agent so directs and provides notice to such Grantor to that effect; provided, further that upon the cure or waiver of such Event

of Default, all cash dividends or distributions payable in respect of the Pledged Securities shall be paid to such Grantor. The Collateral Agent shall be entitled to receive directly, and to retain as part of the Pledged Securities:

(a) all other or additional securities or investment property, or rights to subscribe for or purchase any of the foregoing, or property (other than cash) paid or distributed by way of dividend in respect of the Pledged Securities (excluding any of the foregoing items in the preceding clause with respect to an Issuer to the extent and only to the extent that their inclusion would cause (i) the number of shares or units, as the case may be, of such other or additional securities or Investment Property pledged hereunder to exceed the Designated Number or (ii) such Pledged Securities to constitute Excluded Capital Stock, in each case, after giving effect to such issuances); and

(b) all other or additional securities, investment property or property (including cash) paid or distributed in respect of the Pledged Securities by way of split, spin-off, split-up, reclassification, combination of shares or similar rearrangement (excluding any of the foregoing items in the preceding clause with respect to an Issuer to the extent and only to the extent that their inclusion would cause (i) the number of shares or units, as the case may be, of Capital Stock pledged hereunder to exceed the Designated Number or (ii) such other or additional securities or investment property to constitute Excluded Capital Stock, in each case, after giving effect to such issuances).

Subject to the Intercreditor Agreement, if at any time any Grantor shall obtain or possess any of the foregoing Pledged Securities described in this Section, such Grantor shall be deemed to hold such Pledged Securities in trust for the Collateral Agent for the benefit of the Collateral Agent and the other Secured Parties, and such Grantor shall promptly surrender and deliver such Pledged Securities to the Collateral Agent.

4. *Representations and Warranties.* All representations and warranties made by the Company with respect to each Grantor and contained in the Indenture are incorporated herein by reference and each Guarantor hereby makes such continuing representations and warranties on its own behalf. Each Guarantor hereby further represents and warrants to the Collateral Agent and each Secured Party as follows:

4.1. Such Grantor is duly organized or formed, as applicable, validly existing and in good standing under the laws of its state of incorporation or formation, as applicable, and is duly qualified to do business in each state in which a failure to so qualify would have a material adverse effect on such Grantor.

4.2. Such Grantor has the power, authority and legal right to pledge the Collateral of such Grantor, to execute and deliver this Agreement, and to perform and observe the provisions hereof. The officers or members/managers acting on such Grantor's behalf have been duly authorized to execute and deliver this Agreement. This Agreement is valid and binding upon such Grantor in accordance with the terms hereof.

4.3. Neither the execution and delivery of this Agreement, nor the performance and observance of the provisions hereof, by such Grantor will conflict with, or constitute a violation or default under, any provision of any applicable law or of any contract (including, without limitation, such Grantor's organizational documents or of any other writing binding upon such Grantor in any manner.

4.4. Each Grantor's state of organization or formation, as applicable, is set forth on *Schedule 4.4* to this Agreement. No Grantor has changed its name during the last five years and no Grantor has conducted business under a trade or assumed name. Each Grantor's chief executive office is set forth on *Schedule 4.4* to this Agreement. Each Grantor has places of business or maintains Collateral at the locations set forth on *Schedule 4.4* to this Agreement.

4.5. At the execution and delivery hereof, except as permitted pursuant to the Indenture, (a) there is no U.C.C. Financing Statement outstanding covering the Collateral, or any part thereof; (b) none of the Collateral is subject to any security interest or Lien of any kind; (c) the Internal Revenue Service has not alleged the nonpayment or underpayment of any tax by any Grantor or threatened to make any assessment in respect thereof; (d) upon execution of this Agreement and the filing of the U.C.C. Financing Statements in connection herewith, the Collateral Agent will have, for the benefit of the Secured Parties, a valid and enforceable first security interest in the Collateral (to the extent perfection can be accomplished by such filing or action, or, with respect to the Credit Agreement Priority Collateral, so long as the Intercreditor Agreement is in effect, a second lien subject only to the first lien of the Administrative Agent, on behalf of the Lenders) that is the type in which a security interest may be created under the U.C.C. by the execution of a security agreement and perfected by the filing of a U.C.C. Financing Statement (other than commercial tort claims); and (e) no Grantor has entered into any contract or agreement that would prohibit the Collateral Agent from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of such Grantor.

4.6. Such Grantor is the legal record and beneficial owner of, and has good and marketable title to, the Pledged Securities such Grantor purports to own, and such Pledged Securities are not subject to any pledge, lien, mortgage, hypothecation, security interest, charge, option, warrant or other encumbrance whatsoever, nor to any agreement purporting to grant to any third party a security interest in the property or assets of such Grantor that would include such Pledged Securities, except as permitted pursuant to the Indenture.

4.7. All of the Pledged Securities have been duly authorized and validly issued, and are fully paid and non-assessable.

4.8. The Pledged Securities are, as of the date hereof, and shall be at all times during the term of this Agreement, freely transferrable without restriction or limitation (except as limited by the terms of this Agreement). If the Pledged Securities are "restricted securities" within the meaning of Rule 144, or any amendment thereof, promulgated under the Securities Act of 1933, as amended, as determined by counsel for such Grantor, such Grantor further represents and warrants that (a) such Grantor has been the beneficial owner of the Pledged Securities for a period of at least one year prior to the date hereof, (b) the full purchase price or other consideration for the Pledged Securities has been paid or given at least one year prior to the date hereof, and (c) such Grantor does not have a short position in or any put or other option to dispose of any securities of the same class as the Pledged Securities or any other securities convertible into securities of such class; provided that Gichner and its subsidiaries were acquired on May 19, 2010 pursuant to the Gichner Acquisition Documents.

4.9. At the execution and delivery hereof, *Schedule 4.9* to this Agreement sets forth a true, correct and complete list of all Assigned Government Contracts in effect. All such Assigned Government Contracts, together with any updates, are in full force and effect and no defaults currently exist thereunder (other than as described in *Schedule 4.9* to this Agreement or in such updates). Except as set forth in *Schedule 4.9* to this Agreement, no Assigned Government Contract (a) contains any provision restricting assignments of sums due thereunder to the Collateral Agent, or (c) has been assigned to any other Person pursuant to the Assignment of Claims Act of 1940 other than the Administrative Agent.

4.10. Each Pledged Note constitutes a valid obligation of the maker thereof, and is enforceable according to its tenor and free from any defense or offset of any kind. No default has occurred under any Pledged Note. Each Grantor has a valid, duly perfected security interest in and lien on all of the property that serves to secure its Pledged Notes. No Grantor has any obligations to make any further or additional loans or advances to, or purchases of securities from, any maker

with respect to any of the Pledged Notes of such Grantor. No Pledged Note of any Grantor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Grantor by any Person.

4.11. Each Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to its Intellectual Property, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by such Grantor not to sue third Persons, except as permitted by the Indenture. Each Grantor owns all of its Intellectual Property and, whether the same are registered or unregistered, no such Intellectual Property has been adjudged invalid or unenforceable. No Grantor has knowledge of any claim that (i) the use of any of its Intellectual Property or the operation of its business does or may violate the rights of any Person, (ii) challenges the Grantor's rights to, or the validity of, any of the Intellectual Property, nor, to the knowledge of the Grantor, is there any basis for either such claim. Each Grantor has used, and shall continue to use, for the duration of this Agreement, proper statutory notice in connection with its use of its Intellectual Property, except where the failure to do so will not have a material adverse effect on such Grantor, and has taken all necessary and otherwise reasonable measures to maintain such Intellectual Property, including the prompt filing of all documents with applicable authorities and the timely payment of all applicable fees. *Schedule 4.11* hereto sets forth all federally registered patents, trademarks, copyrights, service marks and license agreements owned by the Company or any Subsidiary as of the date hereof.

4.12. Each Grantor has received consideration that is the reasonably equivalent value of the obligations and liabilities that such Grantor has incurred to the Secured Parties. Excluding intercompany liabilities, no Grantor is insolvent, as defined in any applicable state or federal statute, nor will any Grantor be rendered insolvent by the execution and delivery of this Agreement to the Collateral Agent or any other documents executed and delivered to the Collateral Agent or the Secured Parties in connection herewith. No Grantor has engaged, nor is any Grantor about to engage, in any business or transaction for which the assets retained by it are or will be an unreasonably small amount of capital, taking into consideration the obligations to the Secured Parties incurred hereunder. No Grantor intends to, nor does any Grantor believe that it will, incur debts beyond its ability to pay such debts as they mature.

5. *Covenants*

5.1 *Filing of Financing Statements; Delivery of Additional Documentation Required.* (a) Each Grantor hereby authorizes the Collateral Agent to file U.C.C. Financing Statements necessary or desirable to effectuate the transactions contemplated by the Indenture Documents, and any continuation statement or amendment with respect thereto, including an "all assets" financing statement, in any appropriate filing office; *provided*, *however*, that no such authorization shall obligate the Collateral Agent to make any such filing.

(b) Each Grantor shall prepare, execute and deliver to, and if applicable, file, any and all financing statements, original financing statements in lieu of continuation statements, amendments to financing statements, fixture filings, security agreements, pledges, assignments, Commercial Tort Claim Assignments, endorsements of certificates of title, and all other documents (collectively, the "*Additional Documents*") as may be necessary (and to the extent the Collateral Agent is a party thereto, in form and substance reasonably satisfactory to the Collateral Agent) to create, perfect, and continue the perfection of or to improve the priority the Collateral Agent's Liens in the Collateral of such Grantor (whether now owned or hereafter arising or acquired or tangible or intangible), or to fully consummate all of the transactions contemplated hereby and under the other Indenture Documents. Not in limitation but in furtherance of the foregoing, the Company shall comply with its obligations in the immediately preceding sentence as such obligations relate

to the preparation and filing by it of a U.C.C. Financing Statement, together with any applicable filing fees, within 10 days of the date hereof in the applicable filing office, and following the filing thereof shall provide the Collateral Agent with evidence of the same. To the maximum extent permitted by applicable law, such Grantor authorizes the Collateral Agent to execute any such Additional Documents in such Grantor's name and authorizes the Collateral Agent to file such executed Additional Documents in any appropriate filing office; *provided*, *however*, that no such authorization shall obligate the Collateral Agent to take any such action. In addition, no less frequently than annually, each Grantor shall (i) provide the Collateral Agent with a report of all new material patents, patent applications, trademarks, trademark applications, copyrights or copyright applications acquired or generated by such Grantor during the prior period and (ii) cause to be prepared, executed, and delivered to the Collateral Agent supplemental schedules to the applicable Collateral Agreements to identify such patents, copyrights, and trademarks as being subject to the security interests created thereunder; *provided*, *however*, that no Grantor shall register or apply to register with (A) the United States Copyright Office any unregistered copyrights (whether in existence on the Issue Date or thereafter acquired, arising, or developed) unless within 30 days of any such registration or application for registration, such Grantor executes and delivers to the Collateral Agent and files with the United States Copyright Office an Intellectual Property Security Agreement, supplemental schedules to any existing Intellectual Property Security Agreement, or such other documentation as may be necessary in order to perfect and continue the perfection of or protect the Collateral Agent's Liens on such copyrights following such registration or (B) the United States Patent and Trademark Office any unregistered patents or trademarks (whether in existence on the Issue Date or thereafter acquired, arising, or developed) unless within 30 days of any such registration or application for registration, the applicable Person executes and delivers to the Collateral Agent and files with the United States Patent and Trademark Office an Intellectual Property Security Agreement, supplemental schedules to any existing Intellectual Property Security Agreement, or such other documentation as may be necessary in order to perfect and continue the perfection of or protect the Collateral Agent's Liens on such patents or trademarks following such registration. If the Collateral Agent does not receive an updated report from the Grantors, the Collateral Agent may assume that no further intellectual property was created or is in the need of updating and the Collateral agent need not undertake an investigation into any such issues. The Company shall submit the Intellectual Property Security Agreement executed by it as of the date hereof for filing with the United States Copyright Office and the United States Patent and Trademark Office, as applicable, together with all necessary filing, registration or similar fees, within 30 days of the date hereof, and following such submission thereof shall provide the Collateral Agent with evidence of the same.

5.2 *Insurance.* Each Grantor covenants and agrees that such Grantor shall, at such Grantor's expense, maintain insurance respecting its assets wherever located, covering loss or damage by fire, theft, explosion, and all other hazards and risks and in such amounts as ordinarily are insured against by other Persons engaged in the same or similar businesses. Such Grantor also shall maintain business interruption, public liability, and product liability insurance, as well as insurance against larceny, embezzlement, and criminal misappropriation. Such Grantor shall deliver copies of all such policies or certificates of insurance evidencing the same to the Collateral Agent with an endorsement naming the Collateral Agent as loss payee (under a satisfactory lender's loss payable endorsement) or additional insured, as appropriate. Each policy of insurance or endorsement shall contain a clause requiring the insurer to give not less than 30 days prior written notice to the Collateral Agent in the event of cancellation of any such policy for any reason whatsoever;

5.3 *Location of Inventory and Equipment.* Each Grantor covenants and agrees that such Grantor shall keep such Grantor's Inventory and Equipment only at the locations identified on Schedule 4.4 and its chief executive offices only at the locations identified on Schedule 4.4;

provided, however, that such Grantor may amend Schedule 4.4 so long as such amendment occurs by prompt written notice to the Collateral Agent, and so long as such new location is within the continental United States or Canada.

5.4 *Property Acquired Subsequent to the Closing Date and Right to Take Additional Collateral.* Each Grantor shall provide the Collateral Agent with prompt written notice with respect to any real or personal property (other than in the ordinary course of business and excluding Accounts, Inventory, Equipment and General Intangibles and other property acquired in the ordinary course of business or any Investment Property that constitutes securities of a Foreign Subsidiary not required to be pledged pursuant to this Agreement) acquired by any Grantor subsequent to the date hereof. In addition to any other right that the Collateral Agent and the Secured Parties may have pursuant to this Agreement or otherwise, the Company shall, and shall cause each Guarantor to, grant to the Collateral Agent, for the benefit of the Secured Parties, as additional security for the Obligations, a first (or, in the case of the Indenture Priority Collateral (as such defined in the Intercreditor Agreement), so long as the Intercreditor Agreement is in effect, a second) Lien on any real or personal property of the Company and each Guarantor (other than Excluded Assets). Each Grantor agrees to secure, within twenty (20) days after the date of such acquisition, all of the Obligations by delivering to the Collateral Agent, as applicable, security agreements, intellectual property security agreements, pledge agreements, mortgages (or deeds of trust, if applicable) or other documents, instruments or agreements with respect to any of the Grantors. The Company shall perform and pay all recordation, legal and other expenses in connection therewith.

5.5 *Deposit Accounts and Securities Accounts.* (a) No later than sixty (60) days after the Issue Date (unless a longer period has been agreed to by the Administrative Agent), the Company shall have delivered to the Administrative Agent an executed Control Agreement, for each Deposit Account maintained by a Grantor; provided that the Company shall not be required to deliver a Control Agreement with respect to any of the Deposit Accounts referenced in the next sentence, so long as the Company is in compliance with this sentence. No later than one hundred (100) days after the Issue Date (unless a longer period has been agreed to by the Administrative Agent), the Company shall have closed the Deposit Accounts designated as Deposit Accounts to be closed in *Schedule 5.5* hereto.

(b) Subject to Section 5.5(a), each Grantor covenants and agrees that such Grantor will not maintain, on or after the date that is 60 days following the Issue Date, any Deposit Account or Securities Account having an average closing balance in excess of (i) $100,000, individually, or (ii) $500,000, in the aggregate, in each case, for any five consecutive Business Day period unless such Grantor and the applicable securities intermediary or bank shall have entered into a Control Agreement governing such Deposit Account or Securities Account, as the case may be, in order to perfect or improve the priority of the Collateral Agent's Liens therein. Each Grantor agrees that it will take all commercially reasonable steps in order for the Collateral Agent or the Administrative Agent as contemplated by the Intercreditor Agreement to obtain control in accordance with Sections 8-106, 9-104, 9-105, 9-106, and 9-107 of the U.C.C. with respect to all of its Securities Accounts, Deposit Accounts, electronic chattel paper, Investment Property, and letter-of-credit rights (other than Deposit Accounts and Securities Accounts having an average closing balance in excess of (i) $100,000, individually, or (ii) $500,000, in the aggregate, in each case, for any five consecutive Business Day period). Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may notify any bank or securities intermediary subject to a Control Agreement to liquidate the applicable Deposit Account or Securities Account or any related Investment Property maintained or held thereby and remit the proceeds thereof to the Collateral Agent.

5.6 *Right to Inspect.* The Collateral Agent (through any of its officers, employees, or agents) shall have the right (but not the obligation) no more frequently than annually (unless an Event of

Default is outstanding) to inspect the Books of any Grantor and make copies or abstracts thereof and to check, test, and appraise the Collateral, or any portion thereof, in order to verify each Grantor's financial condition or the amount, quality, value, condition of, or any other matter relating to, the Collateral at such reasonable times as the Collateral Agent may designate, and so long as no Default or Event of Default has occurred and is continuing, with reasonable prior notice.

6. *Corporate Names and Location of Collateral.* No Grantor shall (a) change its name, or (b) change its jurisdiction or form of organization or extend or continue its existence in or to any other jurisdiction (other than its jurisdiction of organization at the date of this Agreement) unless such Grantor shall have provided the Collateral Agent with any and all Additional Documents necessary to maintain the perfection of the Collateral Agent's Liens on the Collateral. Each Grantor shall also provide the Collateral Agent with prior written notification of (i) any new locations where any of the Inventory or Equipment of such Grantor is to be maintained; (ii) the location of any new places of business or the changing or closing of any of its existing places of business; and (iii) any change in such Grantor's chief executive office. In the event of any of the foregoing the Grantor shall, and the Collateral Agent is hereby authorized to file new U.C.C. Financing Statements describing the Collateral and otherwise in form and substance sufficient for recordation wherever necessary, to perfect or continue perfected the security interest of the Collateral Agent, for the benefit of the Secured Parties, in the Collateral, *provided, however*, that no such authorization shall obligate the Collateral Agent to make any such filing. Grantors shall pay all filing and recording fees and taxes in connection with the filing or recordation of such U.C.C. Financing Statements and shall immediately reimburse the Collateral Agent therefor if the Collateral Agent pays the same. Such amounts not so paid or reimbursed shall be expenses secured by the Lien of this Agreement on the Collateral.

7. *Notice.* Grantors shall give the Collateral Agent prompt written notice if any Event of Default shall occur hereunder or if the Internal Revenue Service shall allege the nonpayment or underpayment of any tax by any Grantor or threaten to make any assessment in respect thereof.

8. *Financial Records.* Each Grantor shall (a) maintain at all times true and complete financial records and books of accounts in accordance with generally accepted accounting principles consistently applied and, without limiting the generality of the foregoing, prepare authentic invoices for all of the Accounts of such Grantor; (b) render to the Collateral Agent, forthwith upon each request of the Collateral Agent, such financial statements of such Grantor's financial condition and operations, including but not limited to such Grantor's tax returns, and such reports of the Accounts of such Grantor, as the Collateral Agent may from time to time request; and (c) during the continuance of an Event of Default, forward to the Collateral Agent, upon request of the Collateral Agent, whenever made, (i) invoices, sales journals or other documents satisfactory to the Collateral Agent, as the case may be, that summarize the Accounts of such Grantor, certified by an officer of such Grantor, (ii) within the time specified by the Collateral Agent, an aging report of the Accounts of such Grantor then outstanding setting forth, in such form and detail and with such representations and warranties as the Collateral Agent may from time to time require, the unpaid balances of all invoices billed respectively during that period and during each of the three next preceding periods, and certified by an officer of such Grantor, and (iii) with respect to the Inventory and any other Collateral of such Grantor, such reports and other documents that are satisfactory to the Collateral Agent.

9. *Transfers, Liens and Modifications Regarding Collateral.* No Grantor shall, except to the extent not prohibited under the Indenture, sell, assign, transfer or otherwise dispose of, or grant any option with respect to, or create, incur, or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance with respect to any of such Grantor's Collateral, or any interest therein, or Proceeds, except for the lien and security interest provided for by this Agreement, any security agreement securing only the Collateral Agent, for the benefit of the Secured Parties and Permitted Liens.

10. *Collateral.* Each Grantor shall:

(a) at all reasonable times during the continuance of an Event of Default, allow the Collateral Agent by or through any of its officers, agents, employees, attorneys or accountants to (i) examine, inspect and make extracts from such Grantor's Books, including, without limitation, the tax returns of such Grantor, (ii) arrange for verification of such Grantor's Accounts, under reasonable procedures, directly with Account Debtors of such Grantor or by other methods, (iii) examine and inspect such Grantor's Inventory and Equipment, wherever located, and (iv) conduct appraisals of such Grantor's Inventory;

(b) promptly furnish to the Collateral Agent, upon written request, (i) additional statements and information with respect to such Grantor's Collateral, and all writings and information relating to or evidencing any of such Grantor's Accounts (including, without limitation, computer printouts or typewritten reports listing the mailing addresses of all present Account Debtors of such Grantor), and (ii) any other writings and information as the Collateral Agent may request;

(c) promptly notify the Collateral Agent in writing upon the creation by any Grantor of a Deposit Account or Securities Account not listed on *Schedule 5.5* to this Agreement, and, within thirty (30) days after the creation of such Deposit Account or Securities Account, provide for the execution of a Control Agreement with respect thereto, if required by Section 5.5 provided that (i) no Deposit Account Control Agreement shall be required with respect to any Deposit Accounts of a Credit Party solely used to fund California payroll, (ii) all Deposit Accounts (other than as set forth in subpart (i) hereof or Section 5.5 hereof) of the Grantors shall be maintained with the Administrative Agent, and (iii) with respect to any Securities Account opened by a Grantor within sixty (60) days after the Closing Date, such Credit Party shall have thirty (30) days after the opening of such Securities Account to deliver a Securities Account Control Agreement with respect thereto;

(d) promptly notify the Collateral Agent in writing whenever the Inventory of a Grantor, valued in excess (on an aggregate basis for all such Inventory of all Credit Parties at such location) of Five Hundred Thousand Dollars ($500,000), is located at a location of a third party (other than a Grantor that is not listed on Schedule 4.4 hereto and, except where such Inventory is located at a location of the United States government, cause to be executed and delivered to the Collateral Agent contemporaneously with any landlord's waiver, bailee's waiver, processor's waiver or similar document or notice that may be executed and delivered to the Administrative Agent;

(e) promptly notify the Collateral Agent in writing of any information that such Grantor has or may receive with respect to such Grantor's Collateral that might reasonably be determined to materially and adversely affect the value thereof or the rights of the Collateral Agent and the other Secured Parties with respect thereto;

(f) maintain such Grantor's (i) Equipment in good operating condition and repair, ordinary wear and tear excepted, making all necessary replacements thereof so that the value and operating efficiency thereof shall at all times be maintained and preserved, (ii) finished goods Inventory in saleable condition, and (iii) other items of Collateral, taken as an entirety, in such conditions as is consistent with generally accepted business practices, ordinary wear and tear excepted;

(g) subject to the provisions of the Intercreditor Agreement, deliver to the Collateral Agent, to hold as security for the Obligations all certificated Investment Property (other than Pledged Securities) owned by such Grantor, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, or in the event such Investment Property is in the possession of a Securities Intermediary or credited to a Securities Account, execute with the related Securities Intermediary a Securities Account Control Agreement over such Securities Account in favor of the Collateral Agent, for the benefit of the Secured Parties;

(h) upon request of the Collateral Agent, but subject to the provisions of the Intercreditor Agreement, promptly take such action and promptly make, execute, and deliver all such additional and further items, deeds, assurances, instruments and any other writings as the Collateral Agent may from time to time deem necessary or appropriate, including, without limitation, chattel paper, to carry into effect the intention of this Agreement, or so as to completely vest in and ensure to the Collateral Agent and the Secured Parties their respective rights hereunder and in or to the Collateral.

11. *Grantors' Obligations with Respect to Intellectual Property.*

(a) Subject to the provisions of the Intercreditor Agreement, no Grantor shall sell or assign its interest in, or, except as permitted in the Indenture, grant any license or sublicense with respect to, any Intellectual Property of such Grantor. Any attempted sale or license is null and void. No Grantor shall use the Intellectual Property of such Grantor in any manner that would jeopardize the validity or legal status thereof. Each Grantor shall comply with all patent marking requirements as specified in 35 U.S.C. § 287. Each Grantor shall further conform its usage of any trademarks to standard trademark usage, including, but not limited to, using the trademark symbols ®, ™, and ^{SM} where appropriate.

(b) Except as excused pursuant to the Indenture, each Grantor shall have the duty to prosecute diligently any patent, trademark, servicemark or copyright application pending as of the date of this Agreement or thereafter until this Agreement shall have been terminated, to file and prosecute opposition and cancellation proceedings and to do any and all acts that are necessary or desirable to preserve and maintain all rights in the Intellectual Property of such Grantor, including, but not limited to, payment of any maintenance fees. Any expenses incurred in connection with the Intellectual Property of Grantors shall be borne by Grantors. Grantors shall not abandon any Intellectual Property, unless the Grantor otherwise determines in its reasonable business judgment, that it no longer benefits from maintaining such Intellectual Property.

12. *Grantors' Obligations with Respect to Assigned Government Contracts.* Subject to the Intercreditor Agreement, each Grantor shall, within a commercially reasonable time period, notify the Collateral Agent in writing whenever a new Assigned Government Contract comes into existence, and deliver to the Collateral Agent (a) an executed Instrument of Assignment, and (b) an executed Notice of Assignment of Claims. With respect to any Government Contract that is not already subject to an Instrument of Assignment and a Notice of Assignment of Claim, upon the occurrence of an Event of Default, each Grantor shall promptly execute and deliver to the Collateral Agent (i) an Instrument of Assignment, and (ii) a Notice of Assignment of Claim. The Collateral Agent is hereby authorized to file, with the appropriate Governmental Authority, all Instruments of Assignment and Notices of Assignment of Claim required to be delivered to the Collateral Agent under the terms of this Agreement.

13. *Collections and Receipt of Proceeds by Grantors.*

Prior to exercise by the Collateral Agent of its rights under this Agreement, both (i) the lawful collection and enforcement of all of the Accounts of each Grantor, and (ii) the lawful receipt and retention by a Grantor of all Proceeds of all of the Accounts and Inventory of such Grantor shall be as the agent of the Collateral Agent for the benefit of the Secured Parties.

14. *Collections and Receipt of Proceeds by the Collateral Agent.* During the continuance of an Event of Default, but subject to the provisions of the Intercreditor Agreement, the Collateral Agent shall, at all times, have the right, but not the duty, to collect and enforce any or all of the Accounts of Grantors as the Collateral Agent may deem advisable and, if the Collateral Agent shall at any time or times elect to do so in whole or in part, the Collateral Agent shall not be liable to any Grantor except for its own willful misconduct or gross negligence, if any. Each Grantor hereby constitutes and appoints the Collateral Agent, or the Collateral Agent's designated agent, as such Grantor's attorney-in-fact to exercise (subject to the Intercreditor Agreement), at any time, all or any of the following powers which,

being coupled with an interest, shall be irrevocable until the Obligations are paid and performed in full (other than contingent indemnification obligations) or the Defeasance thereof shall have been consummated:

(a) to receive, retain, acquire, take, endorse, assign, deliver, accept and deposit, in the name of the Collateral Agent or any Grantor, any and all of such Grantor's cash, instruments, chattel paper, documents, Proceeds of Accounts, Proceeds of Inventory, collection of Accounts, and any other writings relating to any of the Collateral. Each Grantor hereby waives presentment, demand, notice of dishonor, protest, notice of protest and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Neither the Collateral Agent nor any Secured Party shall be bound or obligated to take any action to preserve any rights therein against prior parties thereto;

(b) to transmit to Account Debtors of such Grantors, on any or all of the Accounts of such Grantor, notice of assignment to the Collateral Agent, for the benefit of the Secured Parties, thereof and the security interest of the Collateral Agent, for the benefit of the Secured Parties, and to request from such Account Debtors at any time, in the name of the Collateral Agent or such Grantor, information concerning the Accounts of such Grantor and the amounts owing thereon;

(c) to transmit to purchasers of any or all of the Inventory of such Grantor, notice of the security interest of the Collateral Agent, for the benefit of the Secured Parties, and to request from such purchasers at any time, in the name of the Collateral Agent or such Grantor, information concerning the Inventory of such Grantor and the amounts owing thereon by such purchasers;

(d) to notify and require Account Debtors on the Accounts of such Grantor and purchasers of the Inventory of such Grantor to make payment of their indebtedness directly to the Collateral Agent, for the benefit of the Secured Parties;

(e) to enter into or assent to such amendment, compromise, extension, release or other modification of any kind of, or substitution for, the Accounts of such Grantor, or any thereof, as the Collateral Agent, at its election (or at the direction of the Required Holders), may deem to be advisable;

(f) to enforce the Accounts of such Grantor or any thereof, or any other Collateral of such Grantor, by suit or otherwise, to maintain any such suit or other proceeding in the name of the Collateral Agent and to withdraw any such suit or other proceeding. Each Grantor agrees to lend every assistance requested by the Collateral Agent in respect of the foregoing, all at no cost or expense to the Collateral Agent or the Secured Parties and including, without limitation, the furnishing of such witnesses and of such records and other writings as the Collateral Agent may require in connection with making legal proof of any Account of such Grantor. Each Grantor agrees to reimburse the Collateral Agent and the Secured Parties in full for all court costs and attorneys' fees and every other cost, expense or liability, if any, incurred or paid by the Collateral Agent or the Secured Parties in connection with the foregoing, which obligation of such Grantor shall constitute Obligations, shall be secured by the Collateral and shall bear interest, until paid, at the Default Rate; and

(g) to accept all collections in any form relating to the Collateral, including remittances that may reflect deductions, and to deposit the same, into a Cash Collateral Account or, at the option of the Collateral Agent (at its election (or at the direction of the Required Holders), to apply them as a payment on the Obligations.

15. *Collateral Agent's Authority Under Pledged Notes.* For the better protection of the Collateral Agent and the Secured Parties hereunder, but subject to the Intercreditor Agreement, each Grantor has executed (or will execute, with respect to future Pledged Notes) an appropriate endorsement on (or separate from) each Pledged Note of such Grantor and has deposited (or will deposit, with respect to future Pledged Notes) such Pledged Note with the Collateral Agent, for the benefit of the Secured Parties. Subject to the provisions of the Intercreditor Agreement, each Grantor irrevocably authorizes

and empowers the Collateral Agent, for the benefit of the Secured Parties, during the continuance of an Event of Default, to (a) ask for, demand, collect and receive all payments of principal of and interest on the Pledged Notes of such Grantor; (b) compromise and settle any dispute arising in respect of the foregoing; (c) execute and deliver vouchers, receipts and acquittances in full discharge of the foregoing; (d) exercise, in the Collateral Agent's discretion, any right, power or privilege granted to the holder of any Pledged Note of such Grantor by the provisions thereof including, without limitation, the right to demand security or to waive any default thereunder; (e) endorse such Grantor's name to each check or other writing received by the Collateral Agent as a payment or other proceeds of or otherwise in connection with any Pledged Note of such Grantor; (f) enforce delivery and payment of the principal and/or interest on the Pledged Notes of such Grantor, in each case by suit or otherwise as the Collateral Agent may desire; (g) enforce the security, if any, for the Pledged Notes of such Grantor by instituting foreclosure proceedings, by conducting public or other sales or otherwise, and to take all other steps as the Collateral Agent, in its discretion, may deem advisable in connection with the forgoing; provided, however, that nothing contained or implied herein or elsewhere shall obligate the Collateral Agent to institute any action, suit or proceeding or to make or do any other act or thing contemplated by this Section 16 or prohibit the Collateral Agent from settling, withdrawing or dismissing any action, suit or proceeding or require the Collateral Agent to preserve any other right of any kind in respect of the Pledged Notes and the security, if any, therefor.

16. *Commercial Tort Claims.* If any Grantor acquires any commercial tort claims after the date hereof for a claim which reasonably could be expected to exceed $1,000,000 or with respect to which the Administrative Agent has been granted a perfected security interest, such Grantor shall promptly (but in any event within 5 Business Days after such acquisition) (i) deliver to the Collateral Agent a written description of such commercial tort claim, (ii) execute and deliver a supplement to this Agreement, pursuant to which such Grantor shall grant a perfected security interest in all of its right, title and interest in and to such commercial tort claim to the Collateral Agent, as security for the Obligations (a "*Commercial Tort Claim Assignment*") and (iii) not in limitation but in furtherance of Section 5.1, file a financing statement or amendment to a previously filed and effective financial statement describing such commercial tort claim with sufficient particularity to the extent necessary to perfect the Collateral Agent's Lien therein.

17. *Use of Inventory and Equipment.* Until the exercise by the Collateral Agent of its rights under this Agreement, each Grantor may (a) retain possession of and use the Inventory and Equipment of such Grantor in any lawful manner not inconsistent with this Agreement or with the terms, conditions, or provisions of any policy of insurance thereon; (b) sell or lease its Inventory in the ordinary course of business; and (c) use and consume raw materials or supplies, the use and consumption of which are necessary in order to carry on such Grantor's business.

18. *Authorization and Appointments.*

(a) Each Grantor hereby irrevocably authorizes and appoints the Company to take all such actions, and exercise all such powers, as are granted to, or contemplated to be taken by, the Company pursuant to the Indenture.

(b) Each Grantor hereby agrees to, and hereby ratifies, all authorizations and appointments granted by such Grantor to the Collateral Agent, or contemplated to be given to the Collateral Agent by such Grantor, under the terms of the Indenture.

19. *Default and Remedies.*

19.1. The occurrence of an Event of Default, as defined in the Indenture, shall constitute an Event of Default.

19.2. The Collateral Agent and the Secured Parties shall at all times have the rights and remedies of a secured party under the U.C.C. as in effect from time to time, in addition to the

rights and remedies of a secured party provided elsewhere within this Agreement, in any other related document executed by any Grantor or otherwise provided in law or equity. Subject to the provisions of the Intercreditor Agreement, upon the occurrence of an Event of Default and at all times thereafter, the Collateral Agent (at its election (or at the direction of the Required Holders)) may require each Grantor to assemble such Grantor's Collateral, which each Grantor agrees to do, and make it available to the Collateral Agent at a reasonably convenient place to be designated by the Collateral Agent. The Collateral Agent (at its election (or at the direction of the Required Holders)) may, with or without notice to or demand upon any Grantor and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where the Collateral, or any part thereof, may be found and to take possession thereof (including anything found in or on the Collateral that is not specifically described in this Agreement, each of which findings shall be considered to be an accession to and a part of the Collateral) and for that purpose (at its election (or at the direction of the Required Holders)) may pursue the Collateral wherever the same may be found, without liability for trespass or damage caused thereby to a Grantor. After any delivery or taking of possession of the Collateral, or any thereof, pursuant to this Agreement, then, with or without resort to any Grantor or any other Person or property, all of which each Grantor hereby waives, and upon such terms and in such manner as the Collateral Agent may deem advisable, the Collateral Agent (at its election (or at the direction of the Required Holders)) may sell, assign, transfer and deliver any of the Collateral at any time, or from time to time. No prior notice need be given to any Grantor or to any other Person in the case of any sale of Collateral that the Collateral Agent determines to be perishable or to be declining speedily in value or that is customarily sold in any recognized market, but in any other case the Collateral Agent shall give Grantors no fewer than ten days prior notice of either the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. Each Grantor waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, the Collateral Agent or any Secured Party may purchase the Collateral, or any part thereof, free from any right of redemption, all of which rights each Grantor hereby waives and releases. After deducting all related expenses, and after paying all claims, if any, secured by liens having precedence over this Agreement, the Collateral Agent may apply the net proceeds of each such sale to or toward the payment of the Obligations, whether or not then due, in such order and by such division as the Collateral Agent (at its election (or at the direction of the Required Holders)) may deem advisable. Any excess, to the extent permitted by law, shall be paid to such Grantor, and the obligors on the Obligations shall remain liable for any deficiency. In addition, during the continuance of an Event of Default, the Collateral Agent shall at all times have the right to obtain new appraisals of each Grantor or the Collateral, the cost of which shall be paid by such Grantor.

20. *Maximum Liability of Each Grantor and Rights of Contribution.* Anything in this Agreement or any other Loan Document to the contrary notwithstanding, in no event shall the amount of the Obligations secured by this Agreement by any Grantor exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of such Grantor from other affiliates of the Company) would not render the rights to payment of the Collateral Agent and the Secured Parties hereunder void, voidable or avoidable under any applicable fraudulent transfer law. Grantors hereby agree as among themselves that, in connection with the payments made hereunder, each Grantor shall have a right of contribution from each other Grantor in accordance with applicable law. Such contribution rights shall be waived until such time as the Obligations have been irrevocably paid in full, and no Grantor shall exercise any such contribution rights until the Obligations have been irrevocably paid in full.

21. *Reasonable Care by Collateral Agent.* The Collateral Agent shall be deemed by each Grantor to have exercised reasonable care in the custody and preservation of the Collateral in its possession if

the Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own similar property.

22. *Indemnity.* Without duplication of any amounts payable under any other similar indemnity provision set forth in the Indenture or any other Indenture Documents, each Grantor shall, jointly and severally: (i) pay all out-of-pocket costs and expenses of the Collateral Agent incurred in connection with the administration of and in connection with the preservation of rights under, and enforcement of, and any renegotiating or restructuring of this Agreement and any amendment, waiver or consent relating thereto (including, without limitation, the reasonable fees and disbursements of counsel for the Collateral Agent); (ii) pay and hold the Collateral Agent and the other Secured Parties harmless from and against any and all present and future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to this Agreement and save the Collateral Agent and the other Secured Parties harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay any such taxes, charges or levies; and (iii) indemnify the Collateral Agent and each of the other Secured Parties, and each of their respective officers, directors, shareholders, employees, representatives and agents from and hold each of them harmless against any and all costs, losses, liabilities, claims, obligations, suits, penalties, judgments, damages or expenses incurred by or asserted against any of them (whether or not any of them is designated a party thereto) arising out of or by reason of this Agreement or any transaction contemplated hereby (including, without limitation, any investigation, litigation or other proceeding related to this Agreement), including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding. Notwithstanding anything in this Agreement to the contrary, such Grantor shall not be responsible to the Collateral Agent or any other Secured Party for any costs, losses, damages, liabilities or expenses which result from the gross negligence or willful misconduct on the part of such Collateral Agent or any other Secured Party. Each Grantor's obligations under this Section shall survive any termination of this Agreement.

23. *Waiver of Claims.* Except as otherwise provided in this Agreement or prohibited by law, EACH GRANTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR SALE OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH SUCH GRANTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, and each Grantor hereby further waives (and releases any cause of action and claim against the Collateral Agent as a result of), to the fullest extent permitted by law: (a) all damages occasioned by such taking of possession, collection or sale except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct; (b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; (c) demand of performance or other demand, notice of intent to demand or accelerate, notice of acceleration, presentment, protest, advertisement or notice of any kind to or upon such Grantor or any other person or entity; and (d) all rights of redemption, appraisement, valuation, diligence, stay, extension or moratorium now or hereafter in force under any applicable law in order to delay the enforcement of this Agreement.

24. *Interpretation.* Each right, power or privilege specified or referred to in this Agreement is cumulative and in addition to and not in limitation of any other rights, powers and privileges that the Collateral Agent may otherwise have or acquire by operation of law, by contract or otherwise. No course of dealing by the Collateral Agent in respect of, nor any omission or delay by the Collateral Agent in the exercise of, any right, power or privilege shall operate as a waiver thereof, nor shall any

single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege, as the Collateral Agent may exercise each such right, power or privilege either independently or concurrently with others and as often and in such order as the Collateral Agent may deem expedient. No waiver, consent or other agreement shall be deemed to have been made by the Collateral Agent be binding upon the Collateral Agent in any case unless specifically granted by the Collateral Agent in writing, and each such writing shall be strictly construed. The captions to sections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement.

25. *Notice.* All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to a Grantor, mailed or delivered to it, addressed to it at the address specified on the signature page of this Agreement, if to the Collateral Agent, mailed or delivered to it, addressed to the address of the Collateral Agent specified on the signature pages hereof or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or two Business Days after being deposited in the mail with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that notices from a Grantor to the Collateral Agent pursuant to any of the provisions hereof shall not be effective until received by the Collateral Agent.

26. *Successors and Assigns.* This Agreement shall be binding upon each Grantor and their respective successors and assigns and shall inure to the benefit of and be enforceable and exercisable by the Collateral Agent on behalf of and for the benefit of Secured Parties and their respective successors and assigns.

27. *Severability.* If, at any time, one or more provisions of this Agreement is or becomes invalid, illegal or unenforceable in whole or in part, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

28. *Termination.* At such time as the Obligations are paid and performed in full (other than contingent indemnification obligations) or the Defeasance thereof shall have been consummated, the Grantors shall have the right to terminate this Agreement. Upon written request of Grantors, the Collateral Agent shall authorize the filing by the Grantors of appropriate termination statements, cancel all control agreements and return all physically pledged Collateral, and Grantors will indemnify the Collateral Agent in all respects for all costs incurred by the Collateral Agent in connection with such termination.

29. *Entire Agreement.* This Agreement integrates all of the terms and conditions with respect to the Collateral and supersedes all oral representations and negotiations and prior writings, if any, with respect to the subject matter hereof.

30. *Headings; Execution.* The headings and subheadings used herein are for convenience of reference only and shall be ignored in interpreting the provisions of this Agreement. This Agreement may be executed by facsimile signature, which, when so executed and delivered, shall be deemed to be an original.

31. *Additional Grantors.* Additional Subsidiaries may become a party to this Agreement by the execution of a Security Agreement Joinder and delivery of such other supporting documentation, corporate governance and authorization documents, and an opinion of counsel, as required by Section 4.16 of the Indenture.

32. *Intercreditor Agreement.* (a) The Liens granted hereunder in favor of Collateral Agent for the benefit of the Secured Parties in respect of the Collateral and the exercise of any right related thereto thereby shall be subject, in each case, to the terms of the Intercreditor Agreement.

(b) Notwithstanding anything to the contrary herein, any provision hereof that requires any Grantor to (i) deliver any Credit Facility Priority Collateral to the Collateral Agent or (ii) provide that the Collateral Agent have control over such Collateral may be satisfied by (A) the delivery of such Collateral by such Grantor to the Administrative Agent for the benefit of the Lenders and the Collateral Agent for the benefit of the Secured Parties pursuant to the Intercreditor Agreement and (B) providing that the Administrative Agent be provided with control with respect to such Collateral of such Grantor for the benefit of the Lenders and the Collateral Agent for the benefit of the Secured Parties pursuant to the Intercreditor Agreement.

30. *Governing Law; Submission to Jurisdiction.* The provisions of this Agreement and the respective rights and duties of each Grantor, and the Collateral Agent hereunder shall be governed by and construed in accordance with New York law, without regard to principles of conflicts of laws. Each Grantor hereby irrevocably submits to the non-exclusive jurisdiction of any New York state or federal court sitting in New York county, New York, over any such action or proceeding arising out of or relating to this Agreement, any Indenture Document or any related document, and each Grantor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York state or federal court. Each Grantor hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any such action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Each Grantor agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

[Remainder of page intentionally left blank.]

JURY TRIAL WAIVER. EACH GRANTOR, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG GRANTORS, COMPANY, COLLATERAL AGENT AND THE SECURED PARTIES, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Security Agreement as of the date first written above.

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS DEFENSE & SECURITY SOLUTIONS, INC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

AI METRIX, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

DEFENSE SYSTEMS, INCORPORATED

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

DIGITAL FUSION SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

DIGITAL FUSION, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

DTI ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

HAVERSTICK CONSULTING, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

HAVERSTICK GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

HGS HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

JMA ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS COMMERCIAL SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS MID-ATLANTIC, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS SOUTHEAST, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS SOUTHWEST, L.P.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS TEXAS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

MADISON RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

POLEXIS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

REALITY BASED IT SERVICES, LTD.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

ROCKET SUPPORT SERVICES, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of HGS Holdings, Inc., Managing Member of Rocket Support Services, LLC

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

SHADOW I, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

SHADOW II, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

SHADOW III, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

SUMMIT RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

SYS

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

WFI NMC CORP.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

CHARLESTON MARINE CONTAINERS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

DALLASTOWN REALTY I, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of Gichner Holdings, Inc., Member and Manager of Dallastown Realty I, LLC

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

DALLASTOWN REALTY II, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of Dallastown Realty I, LLC, Member and Manager of Dallastown Realty II, LLC

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

GICHNER HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

GICHNER SYSTEMS GROUP, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

GICHNER SYSTEMS INTERNATIONAL, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

Address: Wilmington Trust FSB
CCS-Corporate Capital Markets
50 South Sixth Street
Suite 1290
Minneapolis, MN 55402-1544

WILMINGTON TRUST FSB,
as Collateral Agent

By: /s/ Jane Schweiger

Name: Jane Schweiger
Title: Vice President

EXHIBIT A

GRANTORS

Ai Metrix, Inc.
Defense Systems, Incorporated
Digital Fusion Solutions, Inc.
Digital Fusion, Inc.
DTI Associates, Inc.
Haverstick Consulting, Inc.
Haverstick Government Solutions, Inc.
HGS Holdings, Inc.
JMA Associates, Inc.
Kratos Commercial Solutions, Inc.
Kratos Government Solutions, Inc.
Kratos Mid-Atlantic, Inc.
Kratos Southeast, Inc.
Kratos Southwest, L.P.
Kratos Texas, Inc
Madison Research Corporation
Polexis, Inc.
Reality Based IT Services, Ltd.
Rocket Support Services, LLC
Shadow I, Inc.
Shadow II, Inc.
Shadow III, Inc.
Summit Research Corporation
SYS
WFI NMC Corp.
Charleston Marine Containers Inc.
Dallastown Realty I, LLC
Dallastown Realty II, LLC
Gichner Holdings, Inc.
Gichner Systems Group, Inc.
Gichner Systems International, Inc.

EXHIBIT B

FORM OF
INSTRUMENT OF ASSIGNMENT

ASSIGNMENT OF CLAIMS
[Contract Number]

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, [Company] (the "Company"), does hereby assign, transfer and set over to Wilmington Trust FSB, as the collateral agent ("Collateral Agent") for the Secured Parties under that certain Indenture, dated as May 19, 2010 (as the same may from time to time be amended, restated or otherwise modified, the "Indenture"), by and among Kratos Defense & Security Solutions, Inc., the Collateral Agent, and the guarantors party thereto, all its right, title and interest in and to all payments due under the Contract Number [Contract Number] (the "Contract") payable by [Customer] to the Company pursuant to the Contract.

IN WITNESS WHEREOF, the Company has caused this Assignment of Claims to be executed by its duly authorized officer this day of , 20 .

[Company]

By: _____

Name: _____

Title: _____

I, [ ], in my capacity as the [Secretary] of [Company], do hereby certify that [ ] is the duly elected [ ] of [Company] and that the signature set forth opposite [her][his] name above is [her][his] genuine signature.

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF
NOTICE OF ASSIGNMENT OF CLAIMS

TO: [Contract Officer]
[Customer]
[Contract Officer Contact]

This is in reference to Contract No. [Contract Number], dated [Contract Date], entered into between [Company] [Company Address] and [Customer] [Contract Officer Contact], for [Contract Description].

Moneys due or to become due under the contract described above have been assigned to the undersigned under the provisions of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 3727, 41 U.S.C. 15.

A true copy of the instrument of assignment executed by the Contractor on , is attached to the original notice.

Payments due or to become due under this contract should be made to the undersigned assignee.

Please return to the undersigned the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt, and signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours,

WILMINGTON TRUST FSB,
as Collateral Agent

By: _____

Name: _____

Title: _____

Address: [ ]

Acknowledgement

Receipt is acknowledged of the above notice and of a copy of the instrument of assignment. They were received at (a.m.) (p.m.) on , 20 .

_____

[signature]

_____

[title]

_____

On behalf of

_____

[name of addressee of this notice]

EXHIBIT D

FORM OF
SECURITY AGREEMENT JOINDER

This SECURITY AGREEMENT JOINDER (as the same may from time to time be amended, restated, supplemented or otherwise modified, this "*Agreement*"), is made as of the [ ] day of [,] by [ ], a [ ] [ ] ("*New Grantor*"), in favor of WILMINGTON TRUST FSB, as the collateral agent ("*Collateral Agent*"), for the benefit of the Secured Parties (as defined in the Security Agreement).

WHEREAS, Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*") entered into an Indenture, dated as of May 19, 2010, (as amended, restated, supplemented or otherwise modified from time to time, the "*Indenture*"), pursuant to which the Company has issued 10% Senior Secured Notes due June 1, 2017 in a principal amount of $225,000,000 (and, together with any additional notes that may be issued by the Company from time to time thereunder or exchanged therefor or for such additional notes, the "*Notes*");

WHEREAS, in connection with the Indenture, certain of the Company's subsidiaries (such subsidiaries, together with the Company, each, a "Grantor" and, collectively, the "Grantors") entered into that certain Security Agreement, dated as of May 19, 2010 (as the same may from time to time be amended, restated or otherwise modified, the "Security Agreement"), pursuant to which the Grantors granted to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and pledge of substantially all of their assets;

WHEREAS, New Grantor, a subsidiary of the Company, deems it to be in the direct pecuniary and business interests of New Grantor that the Company continue to obtain from the Secured Parties the financial accommodations provided for in the Indenture;

WHEREAS, New Grantor understands that the Secured Parties are willing to continue grant such financial accommodations only upon certain terms and conditions, one of which is that New Grantor grant to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and a collateral assignment of New Grantor's Collateral, as hereinafter defined, and this Agreement is being executed and delivered in consideration of each financial accommodation granted to the Company by the Secured Parties, and for other valuable consideration;

WHEREAS, pursuant to Section 5.01 of the Indenture and Section 31 of the Security Agreement, New Grantor has agreed that, effective on [ ], [ ] (the "*Joinder Effective Date*"), New Grantor shall become a party to the Security Agreement and shall become a "Grantor" thereunder; and

WHEREAS, except as specifically defined herein, capitalized terms used herein that are defined in the Security Agreement shall have their respective meanings ascribed to them in the Security Agreement;

NOW, THEREFORE, in consideration of the benefits accruing to New Grantor, the receipt and sufficiency of which are hereby acknowledged, New Grantor hereby makes the following representations and warranties to the Collateral Agent and the Secured Parties, covenants to the Collateral Agent and the Secured Parties, and agrees with the Collateral Agent as follows:

Section 1. *Assumption and Joinder.* On and after the Joinder Effective Date:

(a) New Grantor hereby irrevocably and unconditionally assumes, agrees to be liable for, and agrees to perform and observe, each and every one of the covenants, rights, promises, agreements, terms, conditions, obligations, appointments, duties and liabilities of a "Grantor" under the Security Agreement and all of the other Indenture Documents (as defined in the Indenture) applicable to it as a Grantor under the Security Agreement;

(b) New Grantor shall become bound by all representations, warranties, covenants, provisions and conditions of the Security Agreement and each other Indenture Document applicable to it as a Grantor

under the Security Agreement, as if New Grantor had been the original party making such representations, warranties and covenants; and

(c) all references to the term "Grantor" in the Security Agreement or in any other Indenture Document, or in any document or instrument executed and delivered or furnished, or to be executed and delivered or furnished, in connection therewith shall be deemed to be a reference to, and shall include, New Grantor.

Section 2. *Grant of Security Interests.* In consideration of and as security for the full and complete payment, and performance when due, of all of the Obligations, New Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of New Grantor's Collateral.

Section 3. *Representations and Warranties of New Grantor.* New Grantor hereby represents and warrants to Collateral Agent and each Secured Party that:

(a) New Grantor has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and under the Security Agreement and any other Indenture Document to which it is a party. The execution, delivery and performance of this Agreement by New Grantor and the performance of its obligations under this Agreement, the Security Agreement, and any other Indenture Document have been duly authorized by the board of directors of New Grantor and no other corporate proceedings on the part of New Grantor are necessary to authorize the execution, delivery or performance of this Agreement, the transactions contemplated hereby or the performance of its obligations under this Agreement, the Security Agreement or any other Indenture Document. This Agreement has been duly executed and delivered by New Grantor. This Agreement, the Security Agreement and each Indenture Document constitutes the legal, valid and binding obligation of New Grantor enforceable against it in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity, whether such enforceability is considered in a proceeding at law or in equity.

(b) Attached hereto as *Exhibit A* are supplemental schedules to the Indenture, which schedules set forth the information required by the Indenture with respect to New Grantor.

(c) Each of the representations and warranties set forth in the Security Agreement are true and correct in all material respects on as and as of the date hereof as such representations and warranties apply to New Grantor (except to the extent that any such representations and warranties expressly relate to an earlier date) with the same force and effect as if made on the date hereof.

Section 4. *Further Assurances.* At any time and from time to time, upon Collateral Agent's request and at the sole expense of New Grantor, New Grantor will promptly and duly execute and deliver to Collateral Agent any and all further instruments and documents and take such further action as Collateral Agent reasonably deems necessary or appropriate to effect the purposes of this Agreement.

Section 5. *Notice.* All notices, requests, demands and other communications to New Grantor provided for under the Security Agreement and any other Indenture Document shall be addressed to New Grantor at the address specified on the signature page of this Agreement, or at such other address as shall be designated by New Grantor in a written notice to Collateral Agent and the Secured Parties.

Section 6. *Binding Nature of Agreement.* All provisions of the Security Agreement and the other Indenture Documents shall remain in full force and effect and be unaffected hereby. This Agreement shall be binding upon New Grantor and shall inure to the benefit of Collateral Agent and the Secured Parties, and their respective successors and permitted assigns.

Section 7. *Miscellaneous.* This Agreement may be executed by facsimile signature, that, when so executed and delivered, shall be deemed to be an original.

Section 8. *Governing Law.* This Agreement shall be construed in accordance with, and governed by, the laws of the State of New York, without regard to principles of conflicts of laws.

[Remainder of page left intentionally blank]

JURY TRIAL WAIVER. NEW GRANTOR HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG NEW GRANTOR, THE COMPANY, COLLATERAL AGENT AND THE SECURED PARTIES, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Security Agreement Joinder as of the date first written above.

Address: _____

_____

_____

Attention: _____

[NEW GRANTOR]

By: _____

Name: _____

Title: _____

EXHIBIT E

ISSUERS

Kratos Defense & Security Solutions, Inc.

PLEDGED INTERESTS

Pledgor	Issuer	Jurisdiction	Shares	Certificate Number	Ownership Percentage
Kratos Defense & Security Solutions, Inc.	Kratos Commercial Solutions, Inc.	DE	1,000	0002	100%
Kratos Defense & Security Solutions, Inc.	SYS	CA	1,000	0001	100%
Kratos Defense & Security Solutions, Inc.	Digital Fusion, Inc.	DE	1,000	0001	100%
Kratos Defense & Security Solutions, Inc.	Kratos Government Solutions, Inc.	DE	100	0002	100%
Kratos Defense & Security Solutions, Inc.	Gichner Holdings, Inc.	DE	16	113,125	100% Common Stock
Kratos Defense & Security Solutions, Inc.	Gichner Holdings, Inc.	DE	PA-15	10,868.75	100% Series A Preferred Stock
Kratos Defense & Security Solutions, Inc.	Gichner Holdings, Inc.	DE	PB-31	240,000	100% Series B Preferred Stock
Kratos Commercial Solutions, Inc.	Kratos Mid-Atlantic, Inc.	DE	1,870	0017	100%
Kratos Commercial Solutions, Inc.	Kratos Southeast, Inc.	GA	511	0011	100%
Kratos Commercial Solutions, Inc.	Kratos Texas, Inc.	TX	10,000	0008	100%
Kratos Commercial Solutions, Inc.	WFI NMC Corp.	DE	1,000	0005	100%
Kratos Texas, Inc.	Kratos Southwest L.P.	TX	n/a	n/a	1%
WFI NMC Corp.	Kratos Southwest L.P.	TX	n/a	n/a	99%
SYS	Ai Metrix, Inc.	DE	1,000	001	100%
SYS	Polexis, Inc.	CA	5,000	1	100%
SYS	Reality Based IT Services Ltd.	MD	10	1	100%

Pledgor	Issuer	Jurisdiction	Shares	Certificate Number	Ownership Percentage
SYS	Shadow I, Inc.	CA	1,000	1	100%
SYS	Shadow II, Inc.	CA	1,000	1	100%
SYS	Shadow III, Inc.	CA	1,000	1	100%
Digital Fusion, Inc.	Digital Fusion Solutions, Inc.	FL	3,500,000	0007	100%
Digital Fusion, Inc.	Summit Research Corporation	AL	80,000	0001	100%
Kratos Government Solutions, Inc.	Defense Systems, Incorporated	VA	3,000	0002	100%
Kratos Government Solutions, Inc.	Haverstick Consulting, Inc.	IN	1,000	0001	100%
Kratos Government Solutions, Inc.	JMA Associates, Inc.	DE	7,000,000	0005	100%
Kratos Government Solutions, Inc.	Madison Research Corporation	AL	1,000	0013	100%
Haverstick Consulting, Inc.	HGS Holdings, Inc.	IN	1,000	1	100%
HGS Holdings, Inc.	DTI Associates, Inc.	VA	2,000 1,420 200 200 140 40	21 22 23 24 25 26	100%
HGS Holdings, Inc.	Haverstick Government Solutions, Inc.	OH	850	2	100%
HGS Holdings, Inc.	Rocket Support Services, LLC	IN	1,000	n/a	100%
Gichner Holdings, Inc.	Gichner Systems, Inc.	DE	100	1	100%
Gichner Holdings, Inc.	Dallastown Realty I, LLC	DE	n/a	n/a	100%
Gichner Systems, Inc.	Charleston Marine Containers Inc.	DE	100	2	100%
Gichner Systems, Inc.	Gichner Systems International, Inc.	DE	1,000	5	100%
Gichner Systems International, Inc.	Gichner Europe Limited	U.K.	650 350	1 2	100%*
Dallastown Realty I, LLC	Dallastown Realty II, LLC	DE	n/a	n/a	100%

* 100% of non-voting shares and equity interests and 65% of voting shares or equity interest constitute Pledged Securities

EXHIBIT F

FORM OF
INTELLECTUAL PROPERTY SECURITY AGREEMENT

PLEDGED NOTES

Kratos Intercompany Notes

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 120,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 15,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 15,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 20,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 120,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Kratos Southwest, L.P.	By its General Partner: WFI NMC Corp: By: Laura Siegal, Vice President & Corporate Controller	$ 15,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 80,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 50,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, Sr. VP & CFO	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 75,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Southwest, L.P.	By its General Partner: WFI NMC Corp: By: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	WFl NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Government Solutions, Inc,	Deanna Lund, SVP, CFO & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 120,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 50,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Southwest, L.P.	By its General Partner: WFI NMC Corp: By: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 15,000,000
Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 75,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L P.	By its General Partner WFI NMC Corp: By: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	WFI NMC Corp,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 50,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: By: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Digital Fusion, inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 15,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Southeast, inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southeast, inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 20,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 40,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 60,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 20,000,000
Haverstick Consulting, Inc,	Deanna Lund, SVP, CFO & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 120,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Haverstick Government Solutions, Inc,	Deanna Lund, SVP, CFO	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Kratos Texas, Inc,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	JMA Associates inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

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HGS Holdings, Inc,	Deanna Lund, SVP, CFO	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
HGS Holdings, Inc.	Deanna Lund, SVP, CFO	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siege, Vice President & Corporate Controller	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 50,000,000
Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	SYS, Inc,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 20,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 60,000,000
DTI Associates, Inc,	Deanna Lund, SVP, CFO	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
DTI Associates, Inc.	Deanna Lund, SVP, CFO	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 15,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000 _,
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Commercial Solutions, Inc,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	SYS, Inc.	Laura L, Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc,	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
WFI NMC Corp,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 80,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 50,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Commercial Solutions, inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Digital Fusion, inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Digital Fusion, Inc,	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 0,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, inc.: Deanna Lund, SVP & CFO	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 20,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	DTI Associates, Inc,	Deanna Lund, SVP, CFO	$ 20,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Government Solutions, Inc,	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Haverstick Consulting, inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Digital Fusion, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Defense & Security Solutions, Inc.	Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Government Solutions, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Madison Research Corporation	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Commercial Solutions, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Mid-Atlantic, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 0,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Southeast, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Haverstick Consulting, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	HGS Holdings, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Haverstick Government Solutions, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	DTI Associates, Inc.	Deanna Lund, SVP, CFO	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Southwest, L.P.	By its General Partner WFI NMC Corp: Laura Siegal, Vice President & Corporate Controller	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Kratos Texas, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	WFI NMC Corp.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	SYS, Inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000

Company	Signatory for Lender, with Title	Issuer	Signatory for Borrower, with Title	Maximum Amount
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Digital Fusion, inc.	Laura L. Siegal, VP, Corporate Controller, Secretary & Treasurer	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	Rocket Support Services, LLC	By its Manager: HGS Holdings, Inc.: Deanna Lund, SVP & CFO	$ 10,000,000
Defense Systems, Incorporated	Deanna Lund, SVP, CFO & Treasurer	JMA Associates, Inc.	Deanna Lund, SVP, CFO & Treasurer	$ 10,000,000

SCHEDULE 4.4

CORPORATE EXISTENCE; SUBSIDIARIES; FOREIGN QUALIFICATION

Company	State of Formation/ Foreign Qualification(s), if applicable	Ownership	Address of Chief Executive Office
Kratos Defense & Security Solutions, Inc.	Delaware Foreign qualification: California	Publicly held company	4820 Eastgate Mall, San Diego, CA 92121
Gichner Holdings, Inc.	Delaware Foreign qualification: Pennsylvania	100% owned by Borrower	490 East Locust Street, Dallastown, Pennsylvania 17313
Digital Fusion, Inc.	Delaware Foreign Qualification: Alabama	100% owned by Borrower	5030 Bradford Drive, Building 1, Suite 210 Huntsville, AL 35805
Kratos Commercial Solutions, Inc.	Delaware Foreign Qualification: California	100% owned by Borrower	4820 Eastgate Mall, San Diego, CA 92121
Kratos Government Solutions, Inc.	Delaware Foreign Qualification: California	100% owned by Borrower	4820 Eastgate Mall, San Diego, CA 92121
SYS	California	100% owned by Borrower	4820 Eastgate Mall, San Diego, CA 92121
WFI Argentina S.A. (Dormant Subsidiary)	Argentina	100% owned by Borrower	n/a
Beijing WanFeng United Wireless Technology Consulting Co. (Dormant Subsidiary)	China	100% owned by Borrower	n/a
Wireless Facilities, Inc./Entel (Dormant Subsidiary)	Delaware	100% owned by Borrower	n/a
Posinet, Inc. (Dormant Subsidiary)	Delaware	100% owned by Borrower	n/a
WFI India Private Limited(Dormant Subsidiary)	India	100% owned by Borrower	n/a
WFI Uruguay S.A. (Dormant Subsidiary)	Uruguay	100% owned by Borrower	n/a
Wireless Facilities International, Spain S.L. (Dormant Subsidiary)	Spain	100% owned by Borrower	n/a
WFI UK Limited (Dormant Subsidiary)	UK	100% owned by Borrower	n/a

Company	State of Formation/ Foreign Qualification(s), if applicable	Ownership	Address of Chief Executive Office
Wireless Facilities International Singapore PTE LTD (Dormant Subsidiary)	Singapore	100% owned by Borrower	n/a
Digital Fusion Solutions, Inc.	Florida Foreign Qualification: Alabama	100% owned by Digital Fusion, Inc.	5030 Bradford Drive, Building 1, Suite 210 Huntsville, AL 35805
Summit Research Corporation	Alabama	100% owned by Digital Fusion, Inc.	5030 Bradford Drive, Building 1, Suite 210 Huntsville, AL 35805
Charleston Marine Containers Inc.	Delaware Foreign qualification: South Carolina	100% owned by Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313
Dallastown Realty I, LLC	Delaware Foreign qualification: Pennsylvania	100% owned by Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313
Dallastown Realty II, LLC	Delaware Foreign Qualification: Pennsylvania	100% owned by Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313
Gichner Europe Limited	U.K.	100% owned by Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313
Gichner Systems Group, Inc.	Delaware Foreign qualification: Pennsylvania	100% owned by Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313
Gichner Systems International, Inc.	Delaware Foreign qualification: Pennsylvania	100% owned by Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313
HGS Holdings, Inc.	Indiana	100% owned by Haverstick Consulting, Inc.	6270 Corporate Drive, Suite 100 Indianapolis, IN 46278
DTI Associates, Inc.	Virginia	100% owned by HGS Holdings, Inc.	2920 South Glebe Road Arlington, VA 22206
Haverstick Government Solutions, Inc.	Ohio	100% owned by HGS Holdings, Inc.	2900 Presidential Drive, Suite 260 Fairborn, OH 45324
Rocket Support Services, LLC	Indiana	100% owned by HGS Holdings, Inc.	2409 Peppermill Dr., Suite A Glen Burnie, Maryland 21061-3267
Kratos Mid-Atlantic, Inc.	Delaware	100% owned by Kratos Commercial Solutions, Inc.	1100 First State Boulevard, Wilmington, DE 19804

Company	State of Formation/ Foreign Qualification(s), if applicable	Ownership	Address of Chief Executive Office
Kratos Southeast, Inc.	Georgia	100% owned by Kratos Commercial Solutions, Inc.	840 Franklin Court SE, Marietta, GA 30067
Kratos Texas, Inc.	Texas	100% owned by Kratos Commercial Solutions, Inc.	9203 Emmott Road, Houston, TX 77040
WFI NMC Corp.	Delaware	100% owned by Kratos Commercial Solutions, Inc.	4820 Eastgate Mall, San Diego, CA 92121
Defense Systems, Incorporated	Virginia	100% owned by Kratos Government Solutions, Inc.	4820 Eastgate Mall, San Diego, CA 92121
Haverstick Consulting, Inc.	Indiana	100% owned by Kratos Government Solutions, Inc.	6270 Corporate Drive, Suite 100 Indianapolis, IN 46278
JMA Associates, Inc d/b/a TLA Associates	Delaware Foreign Qualification: Virginia	100% owned by Kratos Government Solutions, Inc.	6412 Beulah Street, Alexandria, VA 22310
Madison Research Corporation	Alabama	100% owned by Kratos Government Solutions, Inc.	401 Wynn Drive, Huntsville, AL 38505
Ai Metrix, Inc.	Delaware Foreign Qualification: California	100% owned by SYS	4820 Eastgate Mall, San Diego, CA 92121
Polexis, Inc.	California	100% owned by SYS	4820 Eastgate Mall, San Diego, CA 92121
Reality Based IT Services, Ltd.	Maryland	100% owned by SYS	4820 Eastgate Mall, San Diego, CA 92121
Shadow I, Inc.	California	100% owned by SYS	4820 Eastgate Mall, San Diego, CA 92121
Shadow II, Inc.,	California	100% owned by SYS	4820 Eastgate Mall, San Diego, CA 92121
Shadow III, Inc.	California	100% owned by SYS	4820 Eastgate Mall, San Diego, CA 92121
Kratos Southwest L.P.	Texas	99% LP Interest held by WFI NMC Corp 1% GP Interest held by Kratos Texas, Inc.	9203 Emmott Road, Houston, TX 77040

LOCATIONS

Company	Chief Executive Office	Other Location(s)	Owned/Leased
Ai Metrix, Inc.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Charleston Marine Containers Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313	Portions of 110-Building of Charleston Naval Complex, North Charleston, South Carolina	All premises leased.
Dallastown Realty I, LLC	490 East Locust Street, Dallastown, Pennsylvania 17313		All premises leased.
Dallastown Realty II, LLC	490 East Locust Street, Dallastown, Pennsylvania 17313		Chief Executive Office owned.
Defense Systems, Incorporated	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Digital Fusion Solutions, Inc.	5030 Bradford Dr. Bldg. 1, Suite 210 Huntsville, AL 35805	330 Wynn Drive Huntsville, AL 35805 5 Butterfield Trail Suite A El Paso, TX 79906	All premises leased.
Digital Fusion, Inc.	5030 Bradford Dr. Bldg. 1, Suite 210 Huntsville, AL 35805		All premises leased.
DTI Associates, Inc.	2920 South Glebe Road Arlington, VA 22206	1800 K St., NW Washington, DC 20006 17117 Dahlgren Rd. Dahlgren, VA 22485 810 Potomac Ave. Washington, DC 20003 2409 Peppermill Dr. Glen Burnie, MD 21061 3225 Turtle Creek Blvd. #1803 Dallas, TX 75219	All premises leased.
Gichner Holdings, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313		All premises leased.
Gichner Systems Group, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313	631 South Richland Avenue, York, Pennsylvania 17403	All premises leased.

Company	Chief Executive Office	Other Location(s)	Owned/Leased
Gichner Systems International, Inc.	490 East Locust Street, Dallastown, Pennsylvania 17313		All premises leased.
Haverstick Consulting, Inc.	6270 Corporate Dr. Indianapolis, IN 46278		All premises leased.
Haverstick Government Solutions, Inc.	2900 Presidential Drive, Suite 260 Fairborn, OH 45324		All premises leased.
HGS Holdings, Inc.	6270 Corporate Drive, Suite 100 Indianapolis, IN 46278		All premises leased.
JMA Associates, Inc d/b/a TLA Associates	6412 Beulah Street, Alexandria, VA 22310	113136 Saticoy Street Units J and K Los Angeles, CA 96105	All premises leased.
Kratos Commercial Solutions, Inc.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Kratos Defense & Security Solutions, Inc.	4820 Eastgate Mall, San Diego, CA 92121	11440 Commerce Park Dr., Ste 400 Reston, VA 20191 2701 W. Plano Parkway, Plano, TX. 75075	All premises leased.
Kratos Government Solutions, Inc.	4820 Eastgate Mall, San Diego, CA 92121	Suites at 194 1030 Jimmy Dyess Parkway Augusta GA 1701 Pacific Avenue Suite 290 Oxnard, CA 93033 Pacific Guardian Center Makai Tower 733 Bishop Street Suite 2555 Honolulu, HI 96813 98-723 Kuahao Pl Unit A-8 Pearl City, HI 96782 Suites at 194 1030 Jimmy Dyess Parkway Augusta GA	All premises leased.
Kratos Mid-Atlantic, Inc.	1100 First State Blvd Newport, DE 19804	6981 Gateway Court Manassas, VA 20109	All premises leased.

Company	Chief Executive Office	Other Location(s)	Owned/Leased
Kratos Southeast, Inc.	840 Franklin Court SE, Marietta, GA 30067		All premises leased.
Kratos Southwest L.P.	9203 Emmott Road, Houston, TX 77040	9207 Emmott Rd. Houston, Tx 77040	All premises leased.
Kratos Texas, Inc.	9203 Emmott Road, Houston, TX 77040		All premises leased.
Madison Research Corporation	401 Wynn Drive, Huntsville, AL 38505	4904 Research Drive, Huntsville, AL 35805	All premises leased.
Polexis, Inc.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Reality Based IT Services, Ltd.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Rocket Support Services, LLC	2409 Peppermill Dr., Suite A Glen Burnie, Maryland 21061-3267	Bailee: ATK Tactical Systems, Inc., 210 State Route 956, Rocket Center, WV 26726-3548	All premises leased.
Shadow I, Inc.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Shadow II, Inc.	4820 Eastgate Mall, San Diego, CA 92121	9880 Carroll Canyon Road, San Diego, CA 92123	All premises leased.
Shadow III, Inc.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.
Summit Research Corporation	5030 Bradford Drive, Building 1, Suite 210 Huntsville, AL 35805		All premises leased.
SYS	4820 Eastgate Mall, San Diego, CA 92121	9745 Business Park Ave., San Diego, CA 92131 9880 Carroll Canyon Road, San Diego, CA 92123	All premises leased.
WFI NMC Corp.	4820 Eastgate Mall, San Diego, CA 92121		All premises leased.

SCHEDULE 4.9

ASSIGNED GOVERNMENT CONTRACTS

See Attachment 4.9 (Excel spreadsheet of Assigned Government Contracts)

SCHEDULE 4.11

INTELLECTUAL PROPERTY

COPYRIGHTS

Company	Copyrights	Registration Date	Status	Registration No.
Defense Systems, Inc.	OPSEC training plan	October 28, 1993	Active	TXu602108
Madison Research Corporation	INSIGHT	May, 27, 1997	Active	TX4607020
Summit Research Corporation	Charts (compact disc and user manual)	October 15, 2002	Active	TXu1071666

PATENTS

Company	Patent	Registration Date	Status	Patent No.
Charleston Marine Containers, Inc.	Container	January 30, 2007	Active	D536154
Charleston Marine Containers, Inc.	Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	August 7, 2007	Active	7,252,468
Charleston Marine Containers, Inc.	Container (Tricon V)	July 3, 2007	Active	D546,023
Charleston Marine Containers, Inc.	Container (Tricon III)	December 19, 2006	Active	D533,979
Charleston Marine Containers, Inc.	Container (Tricon IV)	December 19, 2006	Active	D533,978
Charleston Marine Containers, Inc.	Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	October 24, 2006	Active	7,125,212
Charleston Marine Containers, Inc.	Shipping Container (Tricon II)	March 1, 2005	Active	D502,547
Charleston Marine Containers, Inc.	Container (Quadcon II)	December 26, 2006	Active	D534,330
Charleston Marine Containers, Inc.	European (LSA)	July 12, 2006		1,499,543 [European patent]
Digital Fusion, Inc.	System and Method for Optically Co-Registering Pixels	August 12, 2008		12/190447 (Application No.)
Gichner Systems Group, Inc.	Instrument Case	February 3, 1998	Active	D390198
Gichner Systems Group, Inc.	Enclosure for Housing Electronic Components	June 4, 1991		5,020,866
Gichner Systems Group, Inc.	Cabinet for Electronic Components	February 17, 1998	Active	D390835
Gichner Systems Group, Inc.	Expandable Shelter System	September 2, 2008	Active	7,418,802

Company	Patent	Registration Date	Status	Patent No.
Gichner Systems Group, Inc.	Cabinet for Providing EMI/RFI Shielding	May 22, 1991		EP428335 [European patent]
Gichner Systems Group, Inc.	Gasket for Providing MEI/FRI Shielding	May 15, 1991		EP427550 [European patent]
Gichner Systems Group, Inc.	Expandable Shelter System	September 7, 2006 (Application Date)	Pending	11/517541 (Application No.)
SYS	Flow Measuring Device Based on a Predetermined Class of Liquid	August 26, 3003	Active	6,609,431
SYS	Systems and Methods for Sensing Pressure	February 15, 2005	Active	6,856,251
SYS	Sensor Having Improved Selectivity	March 8, 2005	Active	6,864,692
SYS	Fixed Parallel Plate Mems Capacitor Microsensor and Microsensor Array and Method of Making Same	October 3, 2006	Active	7,115,969
SYS [***not assigned to SYS by the inventors***]	Sensor and Sensor Array Having Improved Selectivity	December 20, 2005	Active	6,977,511
SYS Technologies	Continuously Adaptive Digital Video Compression System and Method for a Web Streamer	July 18, 2000	Active	6,091,777

PATENT LICENSES

(1) Kratos Defense & Security Solutions, Inc., has entered into a Chemical Sensor and Detector License Agreement with Seacost Science dated August 25, 2003.

(2) SYS has entered into Patent License Agreement with Thompson Design effective September 14, 2007.

TRADEMARKS

Company	Trademark	Filing Date	Registration Date	Status	Registration No.
Ai Metrix, Inc.	[Star Design]	November 4, 2005	November 14, 2006	Live	3,170,480
Ai Metrix, Inc.	Neuralstar	May 20, 2005	November 14, 2006	Live	3,170,447
Ai Metrix, Inc.	Doppler Vue	May 23, 2002	July 27, 2004	Live	2,867,365
Charleston Marine Containers, Inc.	Bicold	January 9, 2009	N/A	Pending; Published for Opposition	77/646,381 (Serial No.)
Charleston Marine Containers, Inc.	Quadcold (trademark)	August 16, 2005	November 6, 2007	Live	3,331,374
Charleston Marine Containers, Inc.	Tricold (trademark)	August 16, 2005	August 1, 2006	Live	3,123,564
Charleston Marine Containers, Inc.	Dura-Move	September 14, 2004	Apil 11, 2006	Live	3,080,275
Charleston Marine Containers, Inc.	LSA	May 15, 2002	June 15, 2004	Live	2,854,549
Haverstick Consulting, Inc.	Haverstick Government Solutions	October 1, 2003	March 8, 2005	Live	2,932,039
Haverstick Consulting, Inc.	Haverstick	April 16, 2003	March 8, 2005	Live	2,932,023
Haverstick Consulting, Inc.	H (design only)	April 16, 2003	August 31, 2004	Live	2,878,655
Haverstick Consulting, Inc.	H Haverstick Consulting	July 18, 2001	February 3, 2004	Live	2,811,184
JMA Associates	Ambassador to the Gulf Coast		December 9, 2004	Live	T20,041,570 (Florida State Registration)
Kratos Defense and Security Solutions, Inc.	Kratos	April 15, 2010	N/A	Pending; New Application	85/015,106 (Serial Number)
Kratos Defense & Security Solutions, Inc.	Kratos Defense & Security Solutions (and design)	August 29, 2007	May 26, 2009	Live	3,627,791
Kratos Defense & Security Solutions, Inc.	Kratos	August 29, 2007	June 16, 2009	Live	3,640,405
Kratos Defense & Security Solutions, Inc.	From Strength to Success	August 29, 2007	May 19, 2009	Live	3,623,755
Kratos Defense & Security Solutions, Inc.	Kratos Defense	August 29, 2007	June 16, 2009	Live	3,640,404
Kratos Defense & Security Solutions, Inc.	Kratos Defense & Security Solutions	August 6, 2007	March 17, 2009	Live	3,592,182

Company	Trademark	Filing Date	Registration Date	Status	Registration No.
Kratos Defense & Security Solutions, Inc.	Kratos Defense & Security Solutions	August 6, 2007	March 17, 2009	Live	3,592,181
Kratos Defense & Security Solutions, Inc.	Kratos Defense & Security Solutions	August 6, 2007		Pending—Published for Opposition	77/248,436
Kratos Defense & Security Solutions, Inc.	Kratos Defense & Security Solutions	August 6, 2007	August 4, 2009	Live	3,664,225
Kratos Defense & Security Solutions, Inc.	Kratos Defense & Security Solutions	August 6, 2007	November 24, 2009	Live	3,715,806
Kratos Defense & Security Solutions, Inc.	Kratos	August 6, 2007	May 19, 2009	Live	3,623,711
Madison Research Corporation	Kratos Madison Research		March 16, 2009	Live	AL 111365 (Alabama State Registration)
Polexis, Inc.	XIS	September 11, 2000	December 23, 2003	Live	2,799,060
Summit Research Corporation	Summit Research Corporation	February 28, 1992			TN92022801 (New Mexico State Registration) [***Not returned in USPTO searches***]
SYS	Sensorworx	November 29, 2005	October 17, 2006	Live	3,158,527
SYS	Battguard	February 28, 2002	April 26, 2005	Live	2,944,754
SYS	Graviton	March 13, 2001	October 14, 2003	Live	2,773,907

SCHEDULE 5.5

DEPOSIT AND SECURITIES ACCOUNTS

Name of Entity	Bank Name	Type of Account	Account Number
Ai Metrix, Inc.	Comerica Bank 350 Tenth Avenue, Suite 700 San Diego, CA 92101	Deposit Account	1894023876
Digital Fusion Solutions, Inc.	First Commercial Bank	Health Trust Account: Commercial Checking	818031742
Digital Fusion, Inc.	First Commercial Bank	Commercial Checking	580223552
Digital Fusion, Inc.	First Commercial Bank	Commercial Premium MM	580225508
Digital Fusion, Inc.	First Commercial Bank	Commercial Checking	580221291
DTI Associates, Inc.	Wachovia Bank, National Association	DTI Operating Trade Disbursement & Lockbox Deposits	2000071389389
DTI Associates, Inc.	Wachovia Bank, National Association	DTI Credit Card Deposit Trade Deposits	2000008309811
DTI Associates, Inc.	Wachovia Bank, National Association	DTI Money Market Restricted Deposits	2000021008461
DTI Associates, Inc.	Wachovia Bank, National Association	DTI Manual Check Trade Disbursements	2000021005749
DTI Associates, Inc.	Wachovia Bank, National Association	DTI FSA Disbursements	2000026801029
DTI Associates, Inc.	Wells Fargo	Operating	4121771026
DTI Associates, Inc.	Wells Fargo	Controlled Disbursement	9600122192
Haverstick Consulting, Inc.	Wachovia Bank, National Association	HCI Operating Trade Disbursement & Lockbox Deposits	2000010899885
Haverstick Consulting, Inc.	Wachovia Bank, National Association	Haverstick Concentration Account	2000010908080
Haverstick Consulting, Inc.	Wells Fargo	Operating	4121806269
Haverstick Consulting, Inc.	Wells Fargo	Controlled Disbursement	9600126182
Haverstick Consulting, Inc.	Wachovia Bank, National Association	HCI/HGSI FSA Disbursements	2000026801032
Haverstick Government Solutions, Inc.	Wachovia Bank, National Association	HGSI Operating Trade Disbursement & Lockbox Deposits	2000010900062
Haverstick Government Solutions, Inc.	Wells Fargo	Operating	4121806277
Haverstick Government Solutions, Inc.	Wells Fargo	Controlled Disbursement	9600122209

Name of Entity	Bank Name	Type of Account	Account Number
Kratos Defense & Security Solutions, Inc.	Wells Fargo	Operating	4121324313
Kratos Defense & Security Solutions, Inc.	Wells Fargo	Controlled Disbursement	9600079314
Kratos Defense & Security Solutions, Inc.	Wells Fargo	Payroll	4121324321
Kratos Government Solutions, Inc.	Wells Fargo Bank, National Association San Diego Regional Commercial Banking Office 401 B Street, Suite 2201 San Diego, CA 92101	Operating	4121324388
Kratos Government Solutions, Inc.	Wells Fargo	Controlled Disbursement	9600079352
Kratos Mid-Atlantic, Inc.	PNC Bank, National Association Deposit Recovery Unit 500 West Jefferson Louisville, KY 40202 Mail Stop K1-KHDQ-06-1	Checking	5620790544
Kratos Mid-Atlantic, Inc.	Wells Fargo	Operating	4121324354
Kratos Mid-Atlantic, Inc.	Wells Fargo	Controlled Disbursement	9600079329
Kratos Mid-Atlantic, Inc.	Wells Fargo	Zoning	4121324404
Kratos Southeast, Inc.	Wells Fargo	Operating	4121324370
Kratos Southeast, Inc.	Wells Fargo	Controlled Disbursement	9600079348
Kratos Southwest L.P.	Wells Fargo	Operating	4121324362
Kratos Southwest L.P.	Wells Fargo	Controlled Disbursement	9600079333
Madison Research Corporation	First Commercial Bank P.O. Box 040002 Huntsville, AL 35801	Operating	0818002488
Madison Research Corporation	Wells Fargo	Operating	4121745111
Madison Research Corporation	Wells Fargo	Controlled Disbursement	9600119065
Polexis, Inc.	Comerica Bank	General Account	1891507004
Rocket Support Services, LLC	Wachovia Bank, National Association Mail Code NC 0817 301 S. Tryon Street, Floor M7 Charlotte, NC 28288	RSS Operating Trade Disbursement & Lockbox Deposits	2000033038500
Rocket Support Services, LLC	Wells Fargo	Operating	4121848527

Name of Entity	Bank Name	Type of Account	Account Number
Rocket Support Services, LLC	Wells Fargo	Controlled Disbursement	9600122228
SYS	Comerica Bank	General Main Account	1891945352
SYS	Comerica Bank	Control Deposit Account	1891945378
SYS	Wells Fargo	AP DISB. Account	9600121642
SYS	Wells Fargo	Lockbox	4121801518

GICHNER HOLDINGS INC.

Bank Account Listing

Nat Penn Bank	Account Type/Activity	Account #	Authorized Signers
1. Gichner Operating Account	Checking/Deposits, Wire Trf, ACH	216443873	T. Mills, W. Wilson
2. Gichner Disbursement Account	Checking	216444373	T. Mills, W. Wilson
3. CMCI Account	Checking/Deposits, Wire Trf, ACH	216783801	T. Mills, W. Wilson
4. Gichner Payroll Account (pending)	Checking	217052711	T. Mills, W. Wilson
5. Gichner Line of Credit	Line of Credit	26688000001	

M & T Bank (PA)	Account Type/Activity	Account #	Authorized Signers
1. Gichner Payroll Account	Checking/local deposits	970207491	T. Mills, W. Wilson
2. Gichner FSA Account	Checking	970313817	T. Mills, W. Wilson

Regions Bank (SC)	Account Type/Activity	Account #	Authorized Signers
1. CMCI Disbursement Account	Checking	03903997499	Cody Baker, Priscilla Roper
2. CMCI Petty Cash	Checking	03903997473	Cody Baker, Priscilla Roper

Barclays Bank PLC, Paris	Account Type/Activity	Account #	Authorized Signers
1. Gichner Europe France, sarl (Euros)	Checking	45287620101	T. Mills, W. Wilson
2. Gichner Europe Ltd (Euros)	Checking	89884280186	T. Mills, W. Wilson

QuickLinks

Exhibit 10.3

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT, dated as of May 19, 2010, is by and between: (i) WILMINGTON TRUST FSB, as Indenture Agent (in such capacity, including any successor thereto in such capacity, the "*Indenture Agent*"), for the benefit of the holders from time to time of the Indenture Obligations (as defined below), and (ii) KEYBANK NATIONAL ASSOCIATION, as Credit Facility Agent (in such capacity, including any successor thereto in such capacity, the "*Credit Facility Agent*") for the benefit the holders from time to time of the Credit Facility Claims (as defined below).

W I T N E S S E T H

WHEREAS, pursuant to the Credit Agreement (as defined below), Kratos Defense & Security Solutions, Inc., a Delaware corporation (the "*Company*"), and the other Grantors (as defined below) have entered into the Credit Facility Collateral Documents (as defined below) pursuant to which the Company and the other Grantors have granted the Credit Facility Agent a security interest in the Common Collateral (as defined below);

WHEREAS, in connection with the Indenture, the Company and the other Grantors have entered into the Indenture Collateral Documents (as defined below) pursuant to which the Company and the other Grantors have granted the Indenture Agent a security interest in the Common Collateral; and

WHEREAS, it is a condition precedent to each of the effectiveness of the Credit Agreement and the issuance of the Notes (as defined below) under the Indenture (as defined below) that the parties hereto enter into this Agreement (as defined below);

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. *Definitions*

(a) *Certain Definitions.* Unless otherwise defined herein, terms that are defined in the UCC are used herein as so defined. As used in this Agreement, the following terms have the meanings specified below:

"*Accounts*" means accounts, as such term as defined in the UCC.

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" have meanings correlative of the foregoing.

"*Agreement*" means this Intercreditor Agreement, as amended, restated, renewed, extended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"*Bankruptcy Law*" means Title 11 of the United States Code and any similar Federal, state or foreign law for the relief of debtors.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York, New York are required or authorized by law or other governmental action to close.

"*Capitalized Lease Lien*" means a Lien on fixed assets securing a Capitalized Lease Obligation, provided that such Lien is limited to the purchase price and only attaches to the property being acquired.

"*Capitalized Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a

balance sheet prepared in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means (a) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of common stock and preferred stock of such Person, (b) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person, and (c) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (a) or (b) above.

"*Cash Management Obligations*" means, with respect to any Person, all obligations (including fees, expenses and overdrafts and related liabilities) of such Person to any other Person that arise from credit cards, stored value cards, credit card processing services, debit cards, purchase cards (including so called "procurement cards" or "P-cards"), treasury, depositary or cash management services, including in connection with any automated clearing house transfers of funds, or any similar transactions.

"*Commodity Agreement*" means any hedging agreement or other similar agreement or arrangement designed to protect the Company or any "Restricted Subsidiary" (as such term is defined in *Exhibit A* hereto) of the Company against fluctuations in commodity prices.

"*Common Collateral*" means all of the assets of any Grantor, whether now owned or hereafter existing and whether real, personal or mixed.

"*Collateral Agent*" means WILMINGTON TRUST FSB and any successor thereto as set forth in the Indenture.

"*Company*" has the meaning set forth in the *preamble*.

"*Credit Agreement*" means the Credit and Security Agreement, dated as of May 19, 2010, by and among the Company, the Credit Facility Agent and lenders from time to time party thereto, as amended, restated, supplemented or otherwise modified from time to time.

"*Credit Facility Agent*" has the meaning set forth in the *preamble*.

"*Credit Facility Cash Management Obligations*" means any Cash Management Obligations secured by any Common Collateral under the Credit Facility Collateral Documents.

"*Credit Facility Claim Holder*" means any holder of a Credit Facility Claim, including the Credit Facility Agent.

"*Credit Facility Claims*" means (a) Indebtedness under the Credit Agreement (including Protective Advance Obligations), (b) the Credit Facility Cash Management Obligations and the Credit Facility Hedging Obligations, and (c) all other Obligations of the Company and the other Grantors under the documents relating to Indebtedness described in clauses (a) and (b) above; *provided* that, notwithstanding the foregoing, the aggregate principal amount of all such Indebtedness (excluding Credit Facility Hedging Obligations and Credit Facility Cash Management Obligations but including the principal amount of all Protective Advance Obligations) that exceeds the Maximum Credit Facility Principal Amount (and any interest thereon) shall not constitute Credit Facility Claims (all such excess principal and interest thereon are referred to herein as "Excess Credit Facility Claims").

"*Credit Facility Collateral Documents*" means the Credit Agreement and any other agreement, document or instrument pursuant to which a Lien is granted securing any Credit Facility Claims or under which rights or remedies with respect to such Liens are governed.

"*Credit Facility Documents*" means the Credit Agreement, the Credit Facility Collateral Documents, and each of the other agreements, documents and instruments (including each agreement, document or instrument providing for or evidencing a Credit Facility Hedging Obligation or Credit Facility Cash Management Obligation) providing for or evidencing any Obligation under the Credit Agreement or any other Credit Facility Claim, and any other related document or instrument executed or delivered pursuant to any Credit Facility Document at any time or otherwise evidencing any Credit Facility Claims.

"*Credit Facility Hedging Obligations*" means, collectively, any Interest Swap Obligations that are permitted to be incurred under clause (4) of the definition of the term "Permitted Indebtedness," Indebtedness under Currency Agreements that are permitted to be incurred under clause (5) of the definition of the term "Permitted Indebtedness" and Indebtedness under Commodity Agreements that are permitted to be incurred under clause (14) of the definition of the term "Permitted Indebtedness," in each case, that are secured by any Credit Facility Priority Collateral under the Credit Facility Collateral Documents pursuant to Liens subject to the Intercreditor Agreement.

"*Credit Facility Liens*" means all Liens that secure Credit Facility Claims.

"*Credit Facility Priority Collateral*" means all of the Company's and each other Grantor's existing and future (i) accounts, (ii) Receivables, (iii) Inventory, (iv) deposit accounts and all cash, cash equivalents, checks and other instruments on deposit therein or credited thereto, (v) securities accounts and all Investment Property, cash and cash equivalents, (vi) lock boxes and all cash, checks and other instruments on deposit therein or credited thereto, (vii) General Intangibles, (viii) contract rights, instruments, documents, chattel paper (whether tangible or electronic), drafts and acceptances, and all other forms of obligations owing to the Company or such Grantor, and (ix) all supporting obligations (other than with respect to supporting obligations securing or guaranteeing licenses of intellectual property granted to the Company and its Subsidiaries); together with all of the Company's or such Grantor's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by the Company or any Grantor or in which it has an interest), computer programs, tapes, disks and documents and all proceeds and products of the foregoing in whatever form, including: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, and tort claim proceeds. Notwithstanding anything to the contrary in the preceding sentence, (a) trademarks, licenses, trade names, patents, trade secrets, domain names, and copyrights of the Company or any other Grantor, and general intangibles necessary for the operation of the equipment, machinery and motor vehicles (not constituting Inventory), including warranties and operational manuals and similar items, (b) any Capital Stock of any Subsidiary of the Company or any other Grantor (other than a Discontinued Subsidiary), (c) any real property, equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings and fixtures, parts and accessories of the equipment, and all replacements and substitutions therefor or accessions thereto owned by the Company or any other Grantor (provided that, for the avoidance of doubt, this clause (c) does not extend to the foregoing items that constitute Inventory of the Company or any other Grantor, or items held for sale or lease by the Company or any other Grantor), (d) supporting obligations securing or guaranteeing licenses of intellectual property granted to the Company and its Subsidiaries, and (e) the identifiable proceeds of each of the foregoing (including insurance proceeds, eminent domain proceeds and condemnation proceeds for loss of the foregoing) shall not constitute Credit Facility Priority Collateral.

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any "Restricted Subsidiary" (as such term is defined in *Exhibit A* hereto) of the Company against fluctuations in currency values.

"*Customer"* means the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Grantor, pursuant to which such Grantor is to deliver any personal property or perform any services.

"*DIP Financing*" has the meaning set forth in *Section 6.1*.

"*Discharge of Credit Facility Claims*" means the payment in full in cash of (a) the principal of and interest (including interest accruing on or after the commencement of an Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such proceeding) and premium, if any, on all Indebtedness (including, without limitation, Credit Facility Hedging Obligations and Credit Facility Cash Management Obligations) outstanding under the Credit Facility Documents or, with respect to letters of credit outstanding thereunder, delivery of cash collateral (in an amount of no less than 105% of the undrawn, or drawn and unreimbursed, amount thereof) or backstop letters of credit in respect thereof in compliance with the applicable Credit Facility Documents, in each case after or concurrently with termination of all commitments to extend credit thereunder, and (b) any other Credit Facility Claims that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid.

"*Discharge of Indenture Obligations*" means the earliest to occur of: (A) the payment in full in cash of (a) the principal of and interest (including interest accruing on or after the commencement of an Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such proceeding) and premium, if any, on all Indebtedness outstanding under the Indenture Documents, and (b) any other Indenture Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid; (B) the Company's exercise of its legal defeasance option or covenant defeasance option as described in and in accordance with Section 8.01 (*Legal Defeasance and Discharge*) of the Indenture; and (C) the satisfaction and discharge of the Indenture in accordance with Section 8.02 (*Satisfaction and Discharge*) thereto.

"*Discontinued Subsidiary*" has the meaning ascribed to such term as set forth in *Exhibit A* hereto.

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event that would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except in each case, upon the occurrence of a Change of Control (as such term is defined in *Exhibit A* hereto)) on or prior to the first anniversary of the final maturity date of the Notes for cash or is convertible into or exchangeable for debt securities of the Company or its Subsidiaries at any time prior to such anniversary.

"*Equipment*" means, as to each Grantor all of such Grantor's equipment (as defined in the UCC), whether now owned or hereafter acquired and wherever located, including all machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories and all replacements and substitutions therefor or accessions thereto.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Excluded Assets*" include:

(1) vehicles and other items covered by certificates of title or ownership to the extent that a security interest cannot be perfected solely by filing a UCC-1 financing statement (or similar instrument);

(2) leasehold interests in real property with respect to which the Company or any Guarantor is a tenant or subtenant;

(3) any asset or property right of any nature if the grant of such security interest shall constitute or result in (A) the abandonment, invalidation or unenforceability of such asset or property right or the loss of use of such asset or property right or (B) a breach, termination or default under any lease, license, contract or agreement, other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity, to which the Company or Guarantor is party;

(4) any asset or property right of any nature to the extent that any applicable law or regulation prohibits the creation of a security interest thereon (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity)

(5) any applications for trademarks or service marks filed in the United States Patent and Trademark Office (the "PTO") pursuant to 15 U.S.C. §1051 Section 1(b) unless and until evidence of use of the mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. §1051 Section 1(c) or Section 1(d);

(6) the voting Capital Stock of any Foreign Subsidiary (as such term is defined in *Exhibit A* hereto) in excess of 65% of all of the outstanding voting Capital Stock of such Foreign Subsidiary;

(7) property and assets owned by the Company or any other Grantor that are the subject of Permitted Liens described in clause (6) or (7) of the definition thereof for so long as such Permitted Liens are in effect and the Indebtedness secured thereby otherwise prohibits any other Liens thereon;

(8) any Capital Stock or other securities of the Company's Subsidiaries to the extent that the pledge of such securities results in the Company being required to file separate financial statements of such Subsidiary with the SEC, but only to the extent necessary for the Company not to be subject to such requirement and only for so long as such requirement is in existence; provided that neither the Company nor any of its Subsidiaries shall take any action in the form of a reorganization, merger or other restructuring a principal purpose of which is to provide for the release of the Lien on any securities pursuant to this clause;

(9) any Capital Stock of any Discontinued Subsidiary; and

(10) (i) deposit and securities accounts the balance of which consists exclusively of (a) withheld income Taxes and federal, state or local employment taxes in such amounts as are required to be paid to the Internal Revenue Service or state or local government agencies within the following two months with respect to employees of the Company or any other Grantor, and (b) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of the Company or any Guarantor, and (ii) all segregated deposit accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, and trust accounts,

provided, that notwithstanding anything to the contrary in the immediately preceding sentence, no asset described in clause (1) through (10) above (other than clause (8)) shall constitute an "Excluded Asset" if such asset is subject to a Permitted Lien described in clause (18) or (22) of the definition thereof.

"*Excluded Capital Stock*" means Capital Stock described in clause (8) of the definition of Excluded Assets.

"*Fair Market Value*" means, with respect to any asset or property, the price which could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution of the Board of Directors of the Company delivered to the Trustee; provided, that with respect to any price less than $5.0 million only the good faith determination by the Company's senior management shall be required.

"*General Intangibles*" means, as to each Grantor, all of such Grantor's now owned or hereafter acquired (i) general intangibles, including all payment intangibles, all choses in action, causes of action, corporate or other business records, inventions, designs, patents, patent applications, equipment formulations, manufacturing procedures, quality control procedures, trademarks, trademark applications, service marks, trade secrets, goodwill, copyrights, design rights, software, computer information, source codes, codes, records and updates, registrations, licenses, franchises, customer lists, tax refunds, tax refund claims, computer programs, all claims under guaranties, security interests or other security held by or granted to such Grantor to secure payment of any of the Receivables by a Customer (other than to the extent covered by Receivables) all rights of indemnification and all other intangible property of every kind and nature (other than Receivables); and (ii) general intangibles, as that term is defined in the UCC.

"*Grantors*" means the Company and each Subsidiary of the Company that guarantees any Credit Facility Claims or Indenture Obligations.

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Indebtedness*" means with respect to any Person, without duplication:

(1) all obligations of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and any deferred purchase price represented by earn outs consistent with the Company's past practice);

(5) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction, whether or not then due;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all obligations of any other Person of the type referred to in clauses (1) through (6) which are secured by any Lien on any property or asset of such Person, the amount of any such Obligation being deemed to be the lesser of the Fair Market Value of the property or asset securing such Obligation or the amount of such Obligation;

(8) all Interest Swap Obligations and all obligations under Currency Agreements and Commodity Agreements of such Person; and

(9) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock.

"*Indenture*" means the Indenture dated as of May 19, 2010, by and among the Company, the other Grantors party thereto, the Trustee and the Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time.

"*Indenture Agent*" has the meaning set forth in the *preamble*.

"*Indenture Collateral Documents*" means the Indenture Security Agreement, the Indenture Mortgages and any other agreement, document or instrument pursuant to which a Lien is granted by any Grantor to secure any Indenture Obligations or under which rights or remedies with respect to any such Lien are governed.

"*Indenture Documents*" means (a) the Indenture, the Notes, the Indenture Collateral Documents and each of the other agreements, documents or instruments evidencing or governing any Indenture Obligations and (b) any other related documents or instruments executed and delivered pursuant to any Indenture Document described in clause (a) above evidencing or governing any Indenture Obligations thereunder.

"*Indenture Holders*" means the Persons holding Indenture Obligations, including the Noteholders, the Trustee and the Indenture Agent.

"*Indenture Liens*" means all Liens that secure Indenture Obligations.

"*Indenture Mortgages*" means a collective reference to each mortgage, deed of trust, deed to secure debt and any other agreement, document or instrument under which any Lien on real property owned by any Grantor is granted to secure any Indenture Obligations or under which rights or remedies with respect to any such Liens are governed.

"*Indenture Obligations*" means all Obligations of the Grantors under the Indenture Documents. Notwithstanding the foregoing, if the aggregate principal amount of the Notes exceeds $225,000,000, then all such principal amounts in excess thereof (and any interest thereon) shall not constitute Indenture Obligations and shall be referred to herein as "*Excess Indenture Obligations*".

"*Indenture Priority Collateral*" means all existing and future property and assets owned by the Company and each other Grantor (other than Excluded Assets (as defined below) and the Credit Facility Priority Collateral). The Indenture Priority Collateral shall include, but will not be limited to, (i) the Company's and each other Grantor's real property, equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings and fixtures, parts and accessories of the equipment, and all replacements and substitutions therefor or accessions thereto (provided that, for the avoidance of doubt, this clause (i) does not extend to the foregoing items that constitute Inventory of the Company or any other Grantor, or items held for sale or lease by the Company or any other Grantor that in

each case shall constitute Credit Facility Priority Collateral), (ii) the Company's and each other Grantor's trademarks, licenses, trade names, patents, trade secrets, domain names and copyrights, (iii) general intangibles necessary for the operation of the equipment, machinery and motor vehicles (not constituting Inventory), including warranties and operational manuals and similar items, (iv) Capital Stock of each Subsidiary (other than any Discontinued Subsidiary) owned by the Company or any such Grantor, (v) supporting obligations securing or guaranteeing licenses of intellectual property granted to the Company or any such Grantor, and (vi) all identifiable proceeds of each of the foregoing (including insurance proceeds, eminent domain proceeds and condemnation proceeds for loss of the foregoing).

"*Indenture Security Agreement*" means the Security Agreement, dated as of May 19, 2010, among the Company, the other Grantors and the Indenture Agent.

"*Insolvency or Liquidation Proceeding*" means (a) any voluntary or involuntary case or proceeding under any Bankruptcy Law with respect to any Grantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to any of their respective assets, (c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"*Intellectual Property*" means all intellectual and similar property of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, patents, patent applications, copyrights, licenses, trademarks, trade names, trade secrets, mask work, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"*Interest Swap Obligations*" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"*Inventory*" means, as to each Grantor all of such Grantor's now owned or hereafter acquired inventory (as defined in the UCC) including goods, merchandise and other personal property, wherever located, to be furnished under any consignment arrangement, contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Grantor's business or used in selling or furnishing such goods, merchandise and other personal property, and all documents of title or other documents representing them; and (ii) inventory, as such term is defined in the UCC.

"*Investment Property*" means, as to each Grantor, all of such Grantor's now owned or hereafter acquired investment property (as defined in the UCC) including securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodities contracts and commodities accounts.

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

"*Maximum Credit Facility Principal Amount*" means the sum of (i) the maximum aggregate principal amount of Indebtedness that is permitted to be incurred by the Company or any Grantor pursuant to clause (2) of the definition of the Permitted Indebtedness; plus (ii) the maximum aggregate principal amount of Indebtedness that is permitted to be incurred by the Company or any Grantor pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the covenant titled *Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock*, as set forth in *Exhibit A* hereto; plus (iii) the maximum aggregate principal amount of Indebtedness that is permitted to be incurred by the Company or any Grantor pursuant to clause (15) of the definition of Permitted Indebtedness; provided that, in the case of each of such clauses (ii) and (iii), is permitted to be secured by a Lien permitted pursuant to clause (22) of the definition of Permitted Lien.

"*Noteholders*" means the Persons holding Notes (as such term is defined in *Exhibit A* hereto) from time to time.

"*Notes*" means (a) the % Senior Secured Notes due 2017 issued by the Company, and (b) any notes issued in exchange or replacement therefor pursuant to the Indenture.

"*Obligations*" means any and all (a) obligations with respect to the payment of any principal of or interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not a claim for post-filing interest is allowed in such proceeding) or premium on any Indebtedness under any of the Credit Facility Documents or any of the Indenture Documents, as applicable, and any reimbursement obligation in respect of any letter of credit, (b) obligations with respect to the payment of any fees, indemnification obligations, damages, expense reimbursement obligations or other liabilities payable under the documentation governing any Indebtedness, (c) any obligation to post cash collateral in respect of letters of credit and any other obligations, and (d) any Credit Facility Cash Management Obligations, Protective Advance Obligations and Credit Facility Hedging Obligations.

"*Permitted Indebtedness*" has the meaning ascribed to such term as set forth in *Exhibit A* hereto.

"*Permitted Lien*" has the meaning ascribed to such term as set forth in *Exhibit A* hereto.

"*Person*" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*Pledged Collateral*" means any Common Collateral the possession or control of which is necessary to perfect or enhance the priority of a Lien thereon under the Uniform Commercial Code.

"*Protective Advance Obligations*" means all obligations of the Company and any other Grantors with respect to the repayment of protective advances and expenses incurred by the Credit Facility Agent and the Lenders to maintain, protect or preserve the Common Collateral, or the rights of the Credit Facility Agent and the Lenders under the Credit Facility Documents, and to enhance the likelihood of, or to maximize the amount of, repayment of the Credit Facility Claims or Indenture Obligations.

"*Purchase Money Lien*" means a Lien of a Credit Facility Claim Holder on property and equipment of the Company or any other Grantor that secures Indebtedness of the Company or such Grantor to such Credit Facility Claim Holder as part of a financing (including pursuant to a sale and leaseback transaction) by such Credit Facility Claim Holder (so long as such financing does not involve any Credit Facility Claims) for all or any part of the purchase price, or the cost of installation, construction or improvement, of such property and equipment, provided that such Lien is limited to the purchase price, only attaches to the property being acquired and is perfected within 20 days of the acquisition of such property.

"*Receivables"* means, as to each Grantor, all of such Grantor's accounts, contract rights, instruments (including those evidencing indebtedness owed to such Grantor by its Affiliates),

documents, chattel paper (including electronic chattel paper), General Intangibles relating to accounts, drafts and acceptances, credit card receivables and all other forms of obligations owing to such Grantor arising out of or in connection with the sale or lease of Inventory or the rendition of services, all supporting obligations, guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created.

"*Subsidiary*" means, with respect to any Person, (a) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person, or (b) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"*Trustee*" has the meaning ascribed to such term as set forth in *Exhibit A* hereto.

"*Uniform Commercial Code*" and "*UCC*" mean the Uniform Commercial Code as from time to time in effect in the State of New York.

(b) *Terms Generally.* The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "from" shall be construed to have the same meaning as "from and including". Each of the words "to" and "until" shall be construed to have the same meaning as "to but excluding". The word "through" shall be construed to have the same meaning as "to and including". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (iii) any reference herein to the Company or any other Grantor shall be construed to include the Company or such Grantor as debtor and debtor-in-possession and any receiver or trustee for the Company or any other Grantor, as the case may be, in any Insolvency or Liquidation Proceeding, (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Sections shall be construed to refer to Sections of this Agreement, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(c) *Headings.* The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 2. *Lien Priorities*

2.1 *Subordination*

(a) Notwithstanding the date, manner or order of grant, attachment or perfection of any Liens granted to the Indenture Agent or the Indenture Holders on the Credit Facility Priority Collateral or of any Liens granted to the Credit Facility Agent or the Credit Facility Claim Holders on the Credit Facility Priority Collateral and notwithstanding any provision of the UCC or any other applicable law or the Indenture Documents or the Credit Facility Documents or any other circumstance whatsoever, the Indenture Agent, on behalf of itself and the Indenture Holders, hereby agrees that, so long as the Discharge of Credit Facility Claims has not occurred: (a) any Lien on the Credit Facility Priority Collateral now or hereafter held by or on behalf of the Credit Facility Agent or any Credit Facility Claim Holders or any agent or trustee therefor securing any Credit Facility Claims, shall be senior in all respects and prior to any Lien thereon that secures any

of the Indenture Obligations; and (b) any Lien on such Credit Facility Priority Collateral now or hereafter held by or on behalf of the Indenture Agent or any Indenture Holders or any agent or trustee therefor securing any Indenture Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens thereon that secures any Credit Facility Claims.

(b) Notwithstanding the date, manner or order of grant, attachment or perfection of any Liens granted to the Credit Facility Agent or the Credit Facility Claim Holders on the Indenture Priority Collateral or of any Liens granted to the Indenture Agent or the Indenture Holders on the Indenture Priority Collateral and notwithstanding any provision of the UCC or any other applicable law or the Credit Facility Documents or the Indenture Documents or any other circumstance whatsoever, the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, hereby agrees that, so long as the Discharge of Indenture Obligations has not occurred: (a) any Lien on the Indenture Priority Collateral now or hereafter held by or on behalf of the Indenture Agent or any Indenture Holders or any agent or trustee therefor securing any Indenture Obligations, shall be senior in all respects and prior to any Lien thereon that secures any of the Credit Facility Claims; and (b) any Lien on such Indenture Priority Collateral now or hereafter held by or on behalf of the Credit Facility Agent or any Credit Facility Claim Holders or any agent or trustee therefor securing any Credit Facility Claims, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens thereon that secures any Indenture Obligations.

(c) For the avoidance of doubt, any Capitalized Lease Lien or Purchase Money Lien granted by a Grantor to a Credit Facility Claim Holder (so long as such Lien does not secure any Credit Facility Claims) shall have priority over the Liens that secure the Indenture Obligations and the Credit Facility Claims, and shall not otherwise be subject to the terms of this Agreement, but this Section is not intended to amend, modify, waive or otherwise affect any covenant contained in the Indenture limiting the ability of the Grantors to incur any Indebtedness or to create any Liens.

2.2 *Prohibition on Contesting Liens*

The Indenture Agent, for itself and on behalf of each Indenture Holder, and the Credit Facility Agent, for itself and on behalf of each Credit Facility Claim Holder, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the priority, validity, perfection or enforceability of a Lien held by or on behalf of any of the Credit Facility Claim Holders in the Common Collateral or by or on behalf of any of the Indenture Holders in the Common Collateral, as the case may be; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of: (a) the Credit Facility Agent or any Credit Facility Claim Holder to enforce this Agreement, including the priority of the Liens securing the Credit Facility Claims as provided in *Section 2.1(a)*; or (b) the Indenture Agent or any Indenture Holder to enforce this Agreement, including the priority of the Liens securing the Indenture Obligations as provided in *Section 2.1(b)*.

2.3 *New Liens*

(a) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that, so long as the Discharge of Indenture Obligations has not occurred, it shall not obtain a Lien on any asset or property of any Grantor unless the Company or the Credit Facility Agent shall have provided the Indenture Agent with prior or substantially contemporaneous written notice thereof .

(b) The Indenture Agent, on behalf of itself and the Indenture Holders, agrees that, so long as the Discharge of Credit Facility Claims has not occurred, it shall not obtain a Lien on any asset

or property of any Grantor unless the Company or the Indenture Agent shall have provided the Credit Facility Agent with prior or substantially contemporaneous written notice thereof.

(c) To the extent the provisions in Section 2.3(a) and 2.3(b) are not complied with for any reason, without limiting any other right or remedy available to the Credit Facility Agent or the Indenture Agent, as applicable, the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, and the Indenture Agent, on behalf of itself and the Indenture Holders, agree that any amounts received by or distributed to any of the Credit Facility Claim Holders or the Indenture Holders pursuant to or as a result of any Lien granted in contravention of this Section 2.3 shall be subject to Section 4.1.

2.4 *Perfection of Liens*

None of the Credit Facility Claim Holders shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Common Collateral for the benefit of the Indenture Holders. None of the Indenture Holders shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Common Collateral for the benefit of the Credit Facility Claim Holders. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the Credit Facility Claim Holders and the Indenture Holders and shall not impose on the Credit Facility Claim Holders or the Indenture Holders or any agent or trustee therefor, any obligations in respect of the disposition of proceeds of any Common Collateral that would conflict with the prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any applicable law.

SECTION 3. *Enforcement*

3.1 *Exercise of Remedies in Respect of Credit Facility Priority Collateral*

(a) So long as the Discharge of Credit Facility Claims has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, (i) the Indenture Agent and the Indenture Holders will not exercise or seek to exercise any rights or remedies (including set-off) with respect to any Credit Facility Priority Collateral that secures any Indenture Obligations, institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), contest, protest or object to any foreclosure proceeding or action brought by the Credit Facility Agent or any Credit Facility Claim Holder, exercise any right under any Indenture Document or any lockbox agreement, control agreement, blocked account agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Indenture Agent or any Indenture Holder is a party relating to any Credit Facility Priority Collateral, or exercise any other rights or remedies relating to the Credit Facility Priority Collateral under the Credit Facility Documents or otherwise, or object to the forbearance by the Credit Facility Claim Holders from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Credit Facility Priority Collateral, and (ii) the Credit Facility Agent and the Credit Facility Claim Holders shall have the exclusive right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and make determinations regarding the release, disposition, or restrictions with respect to the Credit Facility Priority Collateral without any consultation with or the consent of the Indenture Agent or any Indenture Holder; *provided*, *however*, that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Company or any other Grantor, the Indenture Agent may file a proof of claim or statement of interest with respect to the Indenture Obligations, subject to the limitations contained in this Agreement, (B) the Indenture Agent may take any action (not adverse to the prior Liens on the Credit Facility Priority Collateral that secure the Indenture Obligations, or the rights of the Credit Facility Agent or the Credit Facility Claim Holders to exercise remedies in respect thereof) in order to preserve or protect its Lien on such Credit Facility Priority Collateral so long as such action is consistent with the terms and limitations

on the Indenture Agent and the Indenture Holders imposed by this Agreement, and (C) the Indenture Agent may take any action to foreclose upon any such Credit Facility Priority Collateral so long as (1) 180 days have elapsed from the date that the Indenture Agent shall have given written notice to the Credit Facility Agent of the occurrence of an Event of Default under and as defined in the Indenture Documents, (2) the Credit Facility Agent is not diligently pursuing in good faith the exercise of its enforcement rights or remedies against such Credit Facility Priority Collateral at the end of such 180-day period, and (3) the proceeds received by the Indenture Agent or any Indenture Holder in connection with such foreclosure action by the Indenture Agent is applied pursuant to *Section 4.1*; *provided further* that, to the extent the Credit Facility Claim Holders are stayed or otherwise prohibited by law from exercising such rights or remedies in respect of the relevant Credit Facility Priority Collateral during such 180-day period, then the foregoing 180-day period shall be automatically extended by the number of days of such stay or prohibition. In exercising rights and remedies with respect to the Credit Facility Priority Collateral, the Credit Facility Agent and the Credit Facility Claim Holders may enforce the provisions of the Credit Facility Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Credit Facility Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code and under the comparable law of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) The Indenture Agent, on behalf of itself and the Indenture Holders, agrees that it will not take or receive, directly or indirectly, in cash or other property or by setoff, counterclaim or in any other manner (whether pursuant to any enforcement, collection, execution, levy or foreclosure proceeding or otherwise), any Credit Facility Priority Collateral that secures any Indenture Obligations or any proceeds of such Credit Facility Priority Collateral, in each case (i) in connection with the exercise of any right or remedy (including set-off) with respect to any such Credit Facility Priority Collateral (or in respect of any such Credit Facility Priority Collateral in the event of the occurrence of an Insolvency or Liquidation Proceeding with respect to a Grantor), or (ii) in the event that the Company or any other Grantor is liquidating Credit Facility Priority Collateral not in the ordinary course of business and the Indenture Agent or the Indenture Holders receive the proceeds thereof (other than proceeds received from the Company as payment of regularly scheduled interest on the Notes); unless and until the Discharge of Credit Facility Claims has occurred. Without limiting the generality of the foregoing, unless and until the Discharge of Credit Facility Claims has occurred, except as expressly provided in the proviso to the first sentence of *Section 3.1(a)* above, the sole right of the Indenture Agent and the Indenture Holders with respect to such Credit Facility Priority Collateral is to hold a Lien on such Credit Facility Priority Collateral pursuant to the Indenture Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Credit Facility Claims has occurred.

(c) Subject to the proviso to the first sentence of *Section 3.1(a)* above and without limiting the effect of other provisions of this Agreement, (i) the Indenture Agent, for itself and on behalf of the Indenture Holders, agrees that the Indenture Agent and the Indenture Holders will not take any action that would hinder any exercise of remedies undertaken by the Credit Facility Agent under the Credit Facility Documents with respect to the Credit Facility Priority Collateral, including any sale, lease, exchange, transfer or other disposition of the Credit Facility Priority Collateral, whether by foreclosure or otherwise, and (ii) the Indenture Agent, for itself and on behalf of the Indenture Holders, hereby waives any and all rights it or the Indenture Holders may have as a junior lien creditor to object to the manner in which the Credit Facility Agent or the Credit Facility Claim Holders seek to enforce or collect the Credit Facility Claims or the Liens

granted in any Credit Facility Priority Collateral, regardless of whether any action or failure to act by or on behalf of the Credit Facility Agent or Credit Facility Claim Holders is adverse to the interest of the Indenture Holders.

(d) The Indenture Agent, on behalf of itself and the Indenture Holders, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Indenture Document shall be deemed to restrict in any way the rights and remedies of the Credit Facility Agent or the Credit Facility Claim Holders with respect to the Credit Facility Priority Collateral as set forth in this Agreement and the Credit Facility Documents.

3.2 Exercise of Remedies in Respect of Indenture Priority Collateral

(a) So long as the Discharge of Indenture Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, (i) the Credit Facility Agent and the Credit Facility Claim Holders will not exercise or seek to exercise any rights or remedies (including set-off) with respect to any Indenture Priority Collateral that secures any Credit Facility Claims, institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), contest, protest or object to any foreclosure proceeding or action brought by the Indenture Agent or any Indenture Holder, exercise any right under any Credit Facility Document or any lockbox agreement, control agreement, blocked account agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Credit Facility Agent or any Credit Facility Claim Holder is a party relating to any Indenture Priority Collateral, or exercise any rights or remedies relating to the Indenture Priority Collateral under the Indenture Documents or otherwise, or object to the forbearance by the Indenture Holders from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Indenture Priority Collateral, and (ii) subject to subsections (f), (g) and (h) below, the Indenture Agent and the Indenture Holders shall have the exclusive right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and make determinations regarding the release, disposition, or restrictions with respect to the Indenture Priority Collateral without any consultation with or the consent of the Credit Facility Agent or any Credit Facility Claim Holder; *provided*, *however*, that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Company or any other Grantor, the Credit Facility Agent may file a proof of claim or statement of interest with respect to the Credit Facility Claims, subject to the limitations contained in this Agreement, (B) the Credit Facility Agent may take any action (not adverse to the prior Liens on the Indenture Priority Collateral that secure the Credit Facility Claims, or the rights of the Indenture Agent or the Indenture Holders to exercise remedies in respect thereof) in order to preserve or protect its Lien on such Indenture Priority Collateral so long as such action is consistent with the terms and limitations on the Credit Facility Agent and the Credit Facility Claim Holders imposed by this Agreement, and (C) the Credit Facility Agent may take any action to foreclose upon any such Indenture Priority Collateral so long as (1) 270 days have elapsed from the date that the Credit Facility Agent shall have given written notice to the Indenture Agent of the occurrence of an Event of Default under and as defined in the Credit Facility Documents (and so long as at the time such notice is given an Event of Default under and as defined in the Indenture Documents shall have occurred and be continuing), (2) the Indenture Agent is not diligently pursuing in good faith the exercise of its enforcement rights or remedies against such Indenture Priority Collateral at the end of such 270-day period, and (3) the proceeds received by the Credit Facility Agent or any Credit Facility Claim Holder in connection with such foreclosure action by the Credit Facility Agent is applied pursuant to *Section 4.1*; *provided further* that, to the extent the Indenture Holders are stayed or otherwise prohibited by law from exercising such rights or remedies in respect of the relevant Indenture Priority Collateral during such 270-day period, then the foregoing 270-day period shall be automatically extended by the number of days of such stay or prohibition. In

exercising rights and remedies with respect to the Indenture Priority Collateral, the Indenture Agent and the Indenture Holders may enforce the provisions of the Indenture Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Indenture Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code and under the comparable law of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that it will not take or receive, directly or indirectly, in cash or other property or by setoff, counterclaim or in any other manner (whether pursuant to any enforcement, collection, execution, levy or foreclosure proceeding or otherwise), any Indenture Priority Collateral that secures any Credit Facility Claims or any proceeds of such Indenture Priority Collateral, in each case in (i) connection with the exercise of any right or remedy (including set-off) with respect to any such Indenture Priority Collateral (or in respect of any such Indenture Priority Collateral in the event of the occurrence of an Insolvency or Liquidation Proceeding with respect to a Grantor), or (ii) in the event that the Company or any other Grantor is liquidating Indenture Priority Collateral not in the ordinary course of business and the Credit Facility Agent or the Credit Facility Claim Holders receive the proceeds thereof (other than proceeds received from the Company as payment of regularly scheduled interest on the Credit Facility Claims); unless and until the Discharge of Indenture Obligations has occurred. Without limiting the generality of the foregoing, unless and until the Discharge of Indenture Obligations has occurred, except as expressly provided in the proviso to the first sentence of *Section 3.2(a)* above, the sole right of the Credit Facility Agent and the Credit Facility Claim Holders with respect to such Indenture Priority Collateral is to hold a Lien on such Indenture Priority Collateral pursuant to the Credit Facility Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Indenture Obligations has occurred.

(c) Subject to the proviso to the first sentence of *Section 3.2(a)* above and without limiting the effect of other provisions of this Agreement, (i) the Credit Facility Agent, for itself and on behalf of the Credit Facility Claim Holders, agrees that the Credit Facility Agent and the Credit Facility Claim Holders will not take any action that would hinder any exercise of remedies undertaken by Indenture Agent under the Indenture Documents with respect to the Indenture Priority Collateral, including any sale, lease, exchange, transfer or other disposition of the Indenture Priority Collateral, whether by foreclosure or otherwise, and (ii) the Credit Facility Agent, for itself and on behalf of the Credit Facility Claim Holders, hereby waives any and all rights it or the Credit Facility Claim Holders may have as a junior lien creditor to object to the manner in which the Indenture Agent or the Indenture Holders seek to enforce or collect the Indenture Obligations or the Liens granted in any Indenture Priority Collateral, regardless of whether any action or failure to act by or on behalf of the Indenture Agent or Indenture Holders is adverse to the interest of the Credit Facility Claim Holders.

(d) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Credit Facility Document shall be deemed to restrict in any way the rights and remedies of the Indenture Agent or the Indenture Holders with respect to the Indenture Priority Collateral as set forth in this Agreement and the Indenture Documents.

(e) If the Indenture Agent or a purchaser at a foreclosure sale conducted in foreclosure of any Lien held by the Indenture Agent takes actual possession of any documentation of the Company or any other Grantor (whether such documentation is in the form of a writing or is

stored in any data equipment or data record in the physical possession of the Indenture Agent or the foreclosure purchaser) that does not constitute Indenture Priority Collateral, then Indenture Agent or such foreclosure purchaser shall promptly deliver to the Credit Facility Agent all of such documentation that does not constitute Indenture Priority Collateral.

(f) The Indenture Agent hereby consents to allow the Credit Facility Agent and its officers, employees and agents reasonable and non-exclusive access to and use of any real property, equipment and fixtures of any Grantor, for a period not exceeding 180 days; *provided, that*, to the extent the Credit Facility Agent is stayed or otherwise prohibited by law from exercising such rights or remedies in respect of the relevant Credit Facility Priority Collateral during such 180-day period, then the foregoing 180-day period shall be automatically extended by the number of days of such stay or prohibition (the "*Processing and Sale Period*"), as necessary or reasonably appropriate to remove or sell, in any lawful manner, any Credit Facility Priority Collateral, subject to the following conditions and limitations:

(i) The Processing and Sale Period shall commence on the date that the Indenture Agent shall have given the Credit Facility Agent notice of the occurrence of an Event of Default and the Indenture Agent's intention to commence its exercise of remedies subject to the terms of this Agreement under and as defined in the Indenture and shall terminate on the earlier to occur of (A) the day which is 180 days (as may be extended as provided in *Section 3.2(f)* above) thereafter, and (B) the Discharge of Credit Facility Claims.

(ii) Each of the Indenture Agent and foreclosure purchaser shall be entitled, as a condition of permitting such access and use, to receive written confirmation from the Credit Facility Agent that:

(A) the access or use requested by the Credit Facility Agent is not prohibited by law; and

(B) the Indenture Agent, the Indenture Holders and such foreclosure purchaser are adequately insured at no cost to them for damage to property and liability to Persons, including property and liability insurance.

(g) The Indenture Agent and such foreclosure purchaser shall: (i) provide reasonable cooperation to the Credit Facility Agent and its officers, employees and agents, in connection with the removal and sale of any Credit Facility Priority Collateral by the Credit Facility Agent and its officers, employees and agents, as provided in *Sections 3.2(e)* and *3.2(f)* above; and (ii) be entitled to receive, from the Credit Facility Agent, fair compensation and reimbursement for their reasonable out-of-pocket costs and expenses incurred in connection with such cooperation. The Indenture Agent and such foreclosure purchaser (or its transferee or successor) shall not otherwise be contractually required to remove, insure, protect, store, safeguard, sell or deliver any Credit Facility Priority Collateral or to provide any support, assistance or cooperation to the Credit Facility Agent in respect thereof.

(h) Notwithstanding anything to the contrary in this Agreement, so long as the Discharge of Credit Facility Claims has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, the Indenture Agent and the Indenture Holders will not foreclose upon or otherwise sell or dispose of any of the Indenture Priority Collateral or institute any action or proceeding with respect thereto (including any action of foreclosure) until after a period of 180 days, such period commencing from the date that the Indenture Agent shall have given written notice to the Credit Facility Agent of the occurrence of an Event of Default under and as defined in the Indenture Documents and the Indenture Agent's intention to commence its exercise of remedies subject to the terms of this Agreement; *provided, however*, that this *clause (h)* shall not be construed to limit the right of the Indenture Agent or the

Indenture Holders to (i) file a proof of claim or statement of interest with respect to the Indenture Obligations, subject to the limitations contained in this Agreement, in any Insolvency or Liquidation Proceeding commenced by or against the Company or any other Grantor, (ii) take any action in order to preserve or protect their Lien on the Indenture Priority Collateral, or (iii) prepare for, or commence marketing activities for, the foreclosure, sale or other disposition of the Indenture Priority Collateral.

(i) The Indenture Agent hereby consents (given without any representation, warranty or obligation whatsoever) to the grant by the Company or any other Grantor to the Credit Facility Agent of a non-exclusive royalty-free license to use any patents, licenses, trade names, trade secrets, domain names, trademarks, copyrights, any licenses relating thereto and proprietary information and books and records of the Company or such other Grantor, as the case may be, that is subject to a consensual Lien held by the Indenture Agent, in connection with the enforcement of any consensual Lien held by the Credit Facility Agent upon any Inventory of the Company or such other Grantor or the collection of accounts or performance of contracts of the Company or such Grantor, as the case may be, and to the extent the use of such patents, licenses, trade names, trade secrets, domain names, trademarks, copyrights, any licenses relating thereto and proprietary information and books and records is necessary or appropriate, in the commercially reasonable opinion of the Credit Facility Agent, to manufacture, produce, complete, remove or sell any such Inventory in any lawful manner, or to collect Accounts or perform contracts of the Company or such Grantor. The consent so delivered by the Indenture Agent shall be binding on its successors and assigns, including a purchaser of the patents, licenses, trade names, trade secrets, domain names, trademarks, copyrights, any licenses relating thereto and proprietary information and books and records subject to such license at a foreclosure sale conducted in foreclosure of any Lien held by the Indenture Agent. Nothing herein or in any other document shall entitle the Credit Facility Agent to take possession of any trademarks, licenses, trade names, patents, trade secrets, domain names and copyrights, prior to the occurrence of the Discharge of Indenture Obligations and subject to the other provisions of this Agreement.

3.3 *Cooperation*

(a) Subject to the proviso to the first sentence of *Section 3.1(a)* above, the Indenture Agent, on behalf of itself and the Indenture Holders, agrees that, unless and until the Discharge of Credit Facility Claims has occurred, it will not commence, or join with any Person (other than the Credit Facility Claim Holders and the Credit Facility Agent upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in any Credit Facility Priority Collateral under any of the Indenture Documents or otherwise.

(b) Subject to the proviso to the first sentence of *Section 3.2(a)* above, the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that, unless and until the Discharge of Indenture Obligations has occurred, it will not commence, or join with any Person (other than the Indenture Holders and the Indenture Agent upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in any Indenture Priority Collateral under any of the Credit Facility Documents or otherwise.

SECTION 4. *Payments*

4.1 *Application of Proceeds*

(a) So long as the Discharge of Credit Facility Claims has not occurred, the Credit Facility Priority Collateral or proceeds thereof (or amounts in respect thereof) received in connection with the sale or other disposition of, or collection on, such Credit Facility Priority Collateral upon the exercise of remedies (or in respect of any Credit Facility Priority Collateral in the event of the occurrence of an Insolvency or Liquidation Proceeding with respect to a Grantor), shall be applied:

(i) *first*, to the payment of (A) the costs and expenses incurred by the Credit Facility Agent in connection with the Credit Agreement or the costs and expenses otherwise payable under the Credit Agreement, and (B) the costs and expenses specifically incurred by the Indenture Agent in connection with such sale or other disposition or collection relating to such Credit Facility Priority Collateral by the Indenture Agent on the Credit Facility Priority Collateral that is permitted pursuant to Section 3.1 hereof, until all such costs and expenses as set forth in clauses (A) and (B) hereof shall have been paid in full in cash; provided that, notwithstanding anything in this clause to the contrary, in no event shall proceeds of Credit Facility Priority Collateral collected prior to the commencement of a sale, disposition or collection by the Indenture Agent, be used to pay (x) costs and expenses of the Indenture Agent pursuant to this clause, or (y) costs and expenses incurred prior to such date of commencement;

(ii) *second*, by the Credit Facility Agent to the Credit Facility Claims in such order as specified in the relevant Credit Facility Documents (or, if an order is not specified in the Credit Facility Documents, in such order determined by the Credit Facility Agent in its sole discretion) until the Discharge of Credit Facility Claims has occurred;

(iii) *third*; by the Indenture Agent to the Indenture Obligations in such order as specified in the Indenture until all Indenture Obligations have been paid in full in cash;

(iv) *fourth*, by the Credit Facility Agent and the Indenture Agent to the Excess Credit Facility Claims and the Excess Indenture Obligations on a *pro rata* basis; and

(v) *fifth*, to the applicable Grantor, or its successors or assigns, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

(b) As long as the Discharge of Indenture Obligations has not occurred, the Indenture Priority Collateral or proceeds thereof (or amounts in respect thereof) received in connection with the sale or other disposition of, or collection on, such Indenture Priority Collateral upon the exercise of remedies (or in respect of any Indenture Priority Collateral in the event of the occurrence of an Insolvency or Liquidation Proceeding with respect to a Grantor), shall be applied:

(i) *first*, to the payment of (A) the costs and expenses incurred by the Indenture Agent in connection with the Indenture Documents or the costs and expenses otherwise payable under the Indenture Documents, and (B) the costs and expenses specifically incurred by the Credit Facility Agent in connection with such sale or other disposition or collection relating to such Indenture Priority Collateral by the Credit Facility Agent on the Indenture Priority Collateral that is permitted pursuant to Section 3.2 hereof, until all such costs and expenses as set forth in clauses (A) and (B) hereof shall have been paid in full in cash; provided that, notwithstanding anything in this clause to the contrary, in no event shall proceeds of Indenture Priority Collateral collected prior to the commencement of a sale, disposition or collection by the Credit Facility Agent, be used to pay (x) costs and expenses of the Credit

Facility Agent pursuant to this clause, or (y) costs and expenses incurred prior to such date of commencement;

(ii) *second*, by the Indenture Agent to the Indenture Obligations in such order as specified in the Indenture until all Indenture Obligations have been paid in full in cash;

(iii) *third*; by the Credit Facility Agent to the Credit Facility Claims in such order as specified in the relevant Credit Facility Documents (or, if an order is not specified in the Credit Facility Documents, in such order determined by the Credit Facility Agent in its sole discretion) until the Discharge of Credit Facility Claims has occurred;

(iv) *fourth*, by the Credit Facility Agent and the Indenture Agent to the Excess Credit Facility Claims and the Excess Indenture Obligations on a *pro rata* basis; and

(v) *fifth*, to the applicable Grantor, or its successors or assigns, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

4.2 *Payments Over*

(a) Any Credit Facility Priority Collateral or proceeds thereof (or amounts in respect thereof) received by the Indenture Agent or any Indenture Holder in connection with the exercise of any right or remedy (including set-off) relating to the Credit Facility Priority Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the Credit Facility Agent for the benefit of the Credit Facility Claim Holders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Credit Facility Agent is hereby authorized to make any such endorsements as agent for the Indenture Agent or any such Indenture Holder. This authorization is coupled with an interest and is irrevocable.

(b) Any Indenture Priority Collateral or proceeds thereof (or amounts in respect thereof) received by the Credit Facility Agent or any Credit Facility Claim Holder in connection with the exercise of any right or remedy (including set-off) relating to the Indenture Priority Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the Indenture Agent for the benefit of the Indenture Holders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Indenture Agent is hereby authorized to make any such endorsements as agent for the Credit Facility Agent or any such Credit Facility Claim Holder. This authorization is coupled with an interest and is irrevocable.

4.3 *Revolving Nature of Certain Credit Facility Claims*

The Credit Facility Agent may apply any and all of the proceeds of the Common Collateral consisting of accounts receivable, other rights to payment or cash in accordance with the provisions of the Credit Agreement, subject to the provisions of this Agreement. The Indenture Agent, for and on behalf of itself and the Indenture Holders, expressly acknowledges and agrees that any such application of the proceeds of accounts receivable, other rights to payment or cash may be applied, reversed, reapplied, credited or reborrowed, in whole or in part, as Credit Facility Claims without reducing the Maximum Credit Agreement Principal Amount. The Indenture Agent, for and on behalf of itself and the Indenture Holders, further acknowledges that certain Credit Facility Claims are revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of such Credit Facility Claims may be modified, extended or amended from time to time, and that the aggregate amount of such Credit Facility Claims may be increased, replaced or refinanced from time to time, subject to the Maximum Credit Agreement Principal Amount. The lien priorities

provided in this Agreement shall not be altered or otherwise affected by any amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of the Obligations under the Credit Agreement.

SECTION 5. *Other Agreements*

5.1 *Releases*

(a) *Releases in Respect of Credit Facility Priority Collateral*.

(i) If in connection with:

(A) the exercise of the Credit Facility Agent's remedies in respect of the Credit Facility Priority Collateral provided for in *Section 3.1(a)*, including any sale, lease, exchange, transfer or other disposition of any such Credit Facility Priority Collateral; or

(B) any sale, lease, exchange, transfer or other disposition of any Credit Facility Priority Collateral permitted under the terms of the Credit Facility Documents (whether or not an event of default thereunder, and as defined therein, has occurred and is continuing) and permitted or not prohibited under Section 4.11 (*Limitation on Asset Sales*) of the Indenture (as in effect on the date hereof),

the Credit Facility Agent, for itself or on behalf of any of the Credit Facility Claim Holders, releases (or indicates that it will release) any of its Liens on any part of the Credit Facility Priority Collateral, the Indenture Agent, for itself or for the benefit of the Indenture Holders, hereby agrees, at the Company's expense, to promptly execute and deliver to the Credit Facility Agent or the Company such termination statements, releases and other documents as the Credit Facility Agent or the Company may reasonably request to effect such release.

(ii) The Indenture Agent, for itself and on behalf of the Indenture Holders, hereby irrevocably constitutes and appoints the Credit Facility Agent and any officer or agent of the Credit Facility Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Indenture Agent or such holder or in the Credit Facility Agent's own name, from time to time in the Credit Facility Agent's discretion, for the purpose of carrying out the terms of this *Section 5.1(a)* in connection with the exercise of remedies by the Credit Facility Agent as set forth in subpart (i)(A) above, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable, including any termination statements, endorsements or other instruments of transfer or release.

(b) *Releases in Respect of Indenture Priority Collateral*.

(i) If in connection with:

(A) the exercise of the Indenture Agent's remedies in respect of the Indenture Priority Collateral provided for in *Section 3.1(b)*, including any sale, lease, exchange, transfer or other disposition of any such Indenture Priority Collateral; or

(B) any sale, lease, exchange, transfer or other disposition of any Indenture Priority Collateral permitted under the terms of the Indenture Documents (whether or not an event of default thereunder, and as defined therein, has occurred and is continuing) and permitted or not prohibited under Section 5.12 (*Merger and Sale of Assets*) of the Credit Agreement (as in effect on the date hereof),

the Indenture Agent, for itself or on behalf of any of the Indenture Holders, releases (or indicates that it will release) any of its Liens on any part of the Indenture Priority Collateral, the Credit Facility Agent, for itself or for the benefit of the Credit Facility Claim Holders,

hereby agrees, at the Company's expense, to promptly execute and deliver to the Indenture Agent or the Company such termination statements, releases and other documents as the Indenture Agent or the Company may reasonably request to effect such release.

(ii) The Credit Facility Agent, for itself and on behalf of the Credit Facility Claim Holders, hereby irrevocably constitutes and appoints the Indenture Agent and any officer or agent of the Indenture Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Credit Facility Agent or such holder or in the Indenture Agent's own name, from time to time in the Indenture Agent's discretion, for the purpose of carrying out the terms of this *Section 5.1(b)* in connection with the exercise of remedies by the Indenture Agent as set forth in subpart (i)(A) above, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable, including any termination statements, endorsements or other instruments of transfer or release.

5.2 *Insurance*

(a) Unless and until the Discharge of Credit Facility Claims has occurred, the Credit Facility Agent and the Credit Facility Claim Holders shall have the sole and exclusive right under the Credit Facility Documents, to the extent such a right is granted in the Credit Facility Documents, to adjust settlement for any insurance policy covering the Credit Facility Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding relating to the Credit Facility Priority Collateral. Unless and until the Discharge of Credit Facility Claims has occurred, all proceeds of any such policy and any such award if in respect to the Credit Facility Priority Collateral shall be applied in accordance with Section 4.1 and thereafter as determined appropriate by the Credit Facility Agent, in its reasonable discretion. If the Indenture Agent or any Indenture Holder shall, at any time, receive any proceeds of any such insurance policy or any such award in contravention of this Agreement, it shall pay such proceeds over to the Credit Facility Agent in accordance with the terms of *Section 4.2*.

(b) Unless and until the Discharge of Indenture Obligations has occurred, the Indenture Agent and the Indenture Holders shall have the sole and exclusive right under the Indenture Documents, to the extent such a right is granted in the Indenture Documents, to adjust settlement for any insurance policy covering the Indenture Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding relating to the Indenture Priority Collateral. Unless and until the Discharge of Indenture Obligations has occurred, all proceeds of any such policy and any such award if in respect to the Indenture Priority Collateral shall be applied in accordance with Section 4.1 and thereafter as determined appropriate by the Indenture Agent, in its reasonable discretion. If the Credit Facility Agent or any Credit Facility Claim Holder shall, at any time, receive any proceeds of any such insurance policy or any such award in contravention of this Agreement, it shall pay such proceeds over to the Indenture Agent in accordance with the terms of *Section 4.2*.

5.3 *Legends*

(a) The Indenture Agent agrees that the Indenture and each Note shall include the following language (or (i) language to similar effect approved by the Credit Facility Agent, or (ii) as revised to the extent necessary to properly refer to any amendment, restatement, replacement or other modification to this Agreement):

"Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the Indenture Collateral Documents and the exercise of any right or remedy by the Collateral Agent hereunder and thereunder are subject to the provisions of that certain Intercreditor Agreement, dated May 19, 2010, by and

between: (i) WILMINGTON TRUST FSB, as Indenture Agent (and its successors and assigns), for the benefit of the holders from time to time of the Indenture Obligations (as defined therein) and (ii) KEYBANK NATIONAL ASSOCIATION, as Credit Facility Agent (and its successors and assigns), for the benefit of the holders from time to time of the Credit Facility Claims (as defined therein) (as may be amended, restated, modified or supplemented or replaced, from time to time in accordance therewith, the "Intercreditor Agreement"). In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern."

(b) The Credit Facility Agent agrees that the Credit Agreement shall include the following language (or (i) language to similar effect approved by the Indenture Agent, or (ii) as revised to the extent necessary to properly refer to any amendment, restatement, replacement or other modification to this Agreement):

"Notwithstanding anything herein to the contrary, the lien and security interest granted to the Credit Facility Agent pursuant to this Agreement and the Credit Facility Collateral Documents and the exercise of any right or remedy by the Credit Facility Agent hereunder and thereunder are subject to the provisions of that certain Intercreditor Agreement, dated May 19, 2010, by and between: (i) WILMINGTON TRUST FSB, as Indenture Agent (and its successors and assigns), for the benefit of the holders from time to time of the Indenture Obligations (as defined therein) and (ii) KEYBANK NATIONAL ASSOCIATION, as Credit Facility Agent (and its successors and assigns), for the benefit of the holders from time to time of the Credit Facility Claims (as defined therein) (as may be amended, restated, modified or supplemented or replaced, from time to time in accordance therewith, the "Intercreditor Agreement"). In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern."

In addition, the Credit Facility Agent agrees that each Credit Facility Collateral Document covering any Indenture Priority Collateral consisting of real property that is filed with any state or other local government agency shall contain such other language as agreed to by the Credit Facility Agent and the Indenture Agent to reflect the subordination of such Credit Facility Collateral Document to the Indenture Mortgage covering such Indenture Priority Collateral.

5.4 *Rights As Unsecured Creditors*

(a) Each of the Indenture Agent and the Indenture Holders may exercise rights and remedies as an unsecured creditor against the Company or any other Grantor that has guaranteed the Indenture Obligations in accordance with the terms of the Indenture Documents and applicable law. Nothing in this Agreement shall prohibit the receipt by the Indenture Agent or any Indenture Holders of the required payments of interest, premium, if any, and principal on the Indenture Obligations and related fees and expenses so long as such receipt is not the direct or indirect result of the exercise by the Indenture Agent or any Indenture Holder of rights or remedies as a secured creditor or enforcement in contravention of this Agreement of any Lien held by any of them in respect of any Credit Facility Collateral (or received or paid in respect of any Credit Facility Priority Collateral in the event of the occurrence of an Insolvency or Liquidation Proceeding with respect to a Grantor, or in the event that the Company or any other Grantor is liquidating Credit Facility Priority Collateral not in the ordinary course of business and the Indenture Agent or the Indenture Holders receive the proceeds thereof (other than proceeds received from the Company as payment of regularly scheduled interest on the Notes)). In the

event the Indenture Agent or any Indenture Holder becomes a judgment lien creditor in respect of Credit Facility Priority Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subordinated to the Liens securing Credit Facility Claims on the same basis as the other Liens securing the Indenture Obligations are so subordinated to such Credit Facility Claims under this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Credit Facility Agent or the Credit Facility Claim Holders may have with respect to the Credit Facility Priority Collateral.

(b) Each of the Credit Facility Agent and the Credit Facility Claim Holders may exercise rights and remedies as an unsecured creditor against the Company or any other Grantor that has guaranteed the Credit Facility Obligations in accordance with the terms of the Credit Facility Documents and applicable law. Nothing in this Agreement shall prohibit the receipt by the Credit Facility Agent or any Credit Facility Claim Holders of the required payments of interest, premium, if any, and principal on the Credit Facility Claims and related fees and expenses so long as such receipt is not the direct or indirect result of the exercise by the Credit Facility Agent or any Credit Facility Claim Holder of rights or remedies as a secured creditor or enforcement in contravention of this Agreement of any Lien held by any of them in respect of any Indenture Priority Collateral (or received or paid in respect of any Indenture Priority Collateral in the event of the occurrence of an Insolvency or Liquidation Proceeding with respect to a Grantor, or in the event that the Company or any other Grantor is liquidating Indenture Priority Collateral not in the ordinary course of business and the Credit Facility Agent or the Credit Facility Claim Holders receive the proceeds thereof (other than proceeds received from the Company as payment of regularly scheduled interest on the Credit Facility Claims)). In the event the Credit Facility Agent or any Credit Facility Claim Holder becomes a judgment lien creditor in respect of Indenture Priority Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subordinated to the Liens securing Indenture Obligations on the same basis as the other Liens securing the Credit Facility Claims are so subordinated to such Indenture Obligations under this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Indenture Agent or the Indenture Holders may have with respect to the Indenture Priority Collateral.

5.5 *Agent and Bailee for Perfection and Control*

(a) *Credit Facility Pledged Collateral*

(i) The Credit Facility Agent agrees to hold the Pledged Collateral that is part of the Credit Facility Priority Collateral in its possession or control (or in the possession or control of its agents or bailees) as agent and bailee for the Indenture Agent and any assignee solely for the purpose of perfecting the security interest (or improving the priority thereof) granted in such Pledged Collateral pursuant to the Indenture Documents, subject to the terms and conditions of this *Section 5.5(a)*.

(ii) Until the Discharge of Credit Facility Claims has occurred, the Credit Facility Agent shall be entitled to deal with such Pledged Collateral in accordance with the terms of the Credit Facility Documents as if the Liens of the Indenture Agent under the Indenture Collateral Documents did not exist. The rights of the Indenture Agent shall at all times be subject to the terms of this Agreement and to the Credit Facility Agent's rights under the Credit Facility Documents.

(iii) Notwithstanding anything in this Agreement to the contrary, the Credit Facility Agent shall have no duty, obligation or liability whatsoever to the Indenture Agent or any Indenture Holder to assure that such Pledged Collateral is genuine or owned by any of the Grantors or to preserve any rights or benefits of the Indenture Agent or any Indenture Holder. The Credit Facility Agent agrees that, in the deposit account control agreement or

agreements entered into by the Grantors with the Credit Facility Agent, the Credit Facility Agent will permit language to be inserted in such agreements that provides for "control" (as such term is defined in the UCC) by the Indenture Agent with respect to such deposit accounts only to the extent sufficient for perfection of the Lien of the Indenture Agent on such deposit accounts. With respect to such agreement or agreements, (A) the Indenture Agent will have no right to exercise such control until after the Discharge of the Credit Facility Claims, (B) in no event shall the Credit Facility Agent (or the depository bank) have any duty, obligation or liability to the Indenture Agent with respect to such deposit accounts, (C) the Credit Facility Agent (and the depository bank) shall not be required to take any direction from the Indenture Agent with respect to such deposit accounts until after the Discharge of the Credit Facility Claims, and (D) the Indenture Agent shall indemnify the Credit Facility Agent (and the depository bank) for any and all costs, expenses or any other liabilities incurred by the Credit Facility Agent (or the depository bank) with respect to such recognition of "control".

(iv) The Credit Facility Agent shall not have, by reason of the Indenture Collateral Documents or this Agreement (including subpart (iii) above) or any other document, a fiduciary relationship in respect of the Indenture Agent or any Indenture Holder.

(v) Upon the Discharge of Credit Facility Claims, the Credit Facility Agent shall deliver to the Indenture Agent or, if applicable, cause the Indenture Agent to have control of such remaining Pledged Collateral (if any) together with any necessary endorsements (or otherwise allow the Indenture Agent, if applicable, to obtain control of such Pledged Collateral) or as a court of competent jurisdiction may otherwise direct. Such Pledged Collateral (if any) will be delivered or control in respect thereof will be made without recourse and without any representation or warranty whatsoever as to the enforceability, perfection, priority or sufficiency of any Lien securing or guarantee or other supporting obligation for any Indenture Obligation, together with any necessary endorsements.

(vi) Promptly upon the execution of this Agreement by the parties hereto, the Indenture Agent will, to the extent permitted by applicable law, deliver to the Credit Facility Agent any Credit Facility Priority Collateral in the possession or under the control of, the Indenture Agent, and all proceeds of Credit Facility Priority Collateral in the possession or under the control of the Indenture Agent, whether arising out of the action taken to enforce, collect or realize upon any Credit Facility Priority Collateral or otherwise. Such Credit Facility Priority Collateral and such proceeds will be delivered without recourse and without any representation or warranty whatsoever as to the enforceability, perfection, priority or sufficiency of any Lien securing or guarantee or other supporting obligation for any Credit Facility Claim, together with any necessary endorsements.

(b) *Indenture Pledged Collateral*

(i) The Indenture Agent agrees to hold the Pledged Collateral that is part of the Indenture Priority Collateral in its possession or control (or in the possession or control of its agents or bailees) as agent and bailee for the Credit Facility Agent and any assignee solely for the purpose of perfecting the security interest (or improving the priority thereof) granted in such Pledged Collateral pursuant to the Credit Facility Security Documents, subject to the terms and conditions of this *Section 5.5(b)*.

(ii) Until the Discharge of Indenture Obligations has occurred, the Indenture Agent shall be entitled to deal with such Pledged Collateral in accordance with the terms of the Indenture Documents as if the Liens of the Credit Facility Agent under the Credit Facility Collateral Documents did not exist. The rights of the Credit Facility Agent shall at all times be subject to the terms of this Agreement and to the Indenture Agent's rights under the Indenture Documents.

(iii) The Indenture Agent shall have no duty, obligation or liability whatsoever to the Credit Facility Agent or any Credit Facility Claim Holder to assure that such Pledged Collateral is genuine or owned by any of the Grantors or to preserve any rights or benefits of any Person except as expressly set forth in this *Section 5.5(b)*. The duties or responsibilities of the Indenture Agent under this *Section 5.5(b)* shall be limited solely to holding such Pledged Collateral as agent and bailee for the Credit Facility Agent for purposes of perfecting the Lien (or improving the priority thereof) held by the Credit Facility Agent.

(iv) The Indenture Agent shall not have, by reason of the Credit Facility Collateral Documents or this Agreement or any other document, a fiduciary relationship in respect of the Credit Facility Agent or any Credit Facility Claim Holder.

(v) Upon the Discharge of Indenture Obligations, the Indenture Agent shall deliver to the Credit Facility Agent or, if applicable, cause the Credit Facility Agent to have control of such remaining Pledged Collateral (if any) together with any necessary endorsements (or otherwise allow the Credit Facility Agent, if applicable, to obtain control of such Pledged Collateral) or as a court of competent jurisdiction may otherwise direct. Such Pledged Collateral (if any) will be delivered or control in respect thereof will be made without recourse and without any representation or warranty whatsoever as to the enforceability, perfection, priority or sufficiency of any Lien securing or guarantee or other supporting obligation for any Credit Facility Claim, together with any necessary endorsements.

(vi) Promptly upon the execution of this Agreement by the parties hereto, the Credit Facility Agent will, to the extent permitted by applicable law, deliver to the Indenture Agent any Indenture Priority Collateral in the possession or under the control of, the Credit Facility Agent, and all proceeds of Indenture Priority Collateral in the possession or under the control of the Credit Facility Agent, whether arising out of the action taken to enforce, collect or realize upon any Indenture Priority Collateral or otherwise. Such Indenture Priority Collateral and such proceeds will be delivered without recourse and without any representation or warranty whatsoever as to the enforceability, perfection, priority or sufficiency of any Lien securing or guarantee or other supporting obligation for any Indenture Obligation, together with any necessary endorsements.

5.6 *Cooperation.*

(a) Upon written request of the Credit Facility Agent from time to time, the Indenture Agent, at the Company's expense, shall promptly disclose to the Credit Facility Agent all information in its possession reasonably requested by the Credit Facility Agent with respect to the Indenture Priority Collateral, including the identity of the Grantors and guarantors of any Indenture Obligations and the description, location and timing of perfection of Liens purported to be created on the Indenture Priority Collateral to secure Indenture Obligations and shall promptly deliver to the Credit Facility Agent copies of the Indenture Documents and other documents relating to the Indenture Priority Collateral, such as Uniform Commercial Code Financing Statements and record copies of Indenture Collateral Documents.

(b) Upon written request of the Indenture Agent from time to time, the Credit Facility Agent, at the Company's expense, shall promptly disclose to the Indenture Agent all information in its possession reasonably requested by the Indenture Agent with respect to the Credit Facility Priority Collateral, including the identity of the Grantors and guarantors of any Credit Facility Obligations and the description, location and timing of perfection of Liens purported to be created on the Credit Facility Priority Collateral to secure Credit Facility Claims and shall promptly deliver to the Indenture Agent copies of the Credit Facility Documents and other documents relating to the Credit Facility Priority Collateral, such as Uniform Commercial Code Financing Statements and record copies of Credit Facility Collateral Documents.

(c) Neither the Credit Facility Agent, nor any Credit Facility Claim Holder, nor any of their respective officers, directors, employees, attorneys, or agents are or will be responsible for the existence, genuineness, value or protection of any Common Collateral, for the legality, enforceability, effectiveness or sufficiency of any Indenture Collateral Document, for the creation, perfection, priority, sufficiency or protection of any Lien created under any Indenture Collateral Document or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any Indenture Collateral Document or any Lien created thereunder, or for any delay in doing so. Neither the Indenture Agent, nor any Indenture Holder, nor any of their respective officers, directors, employees, attorneys, or agents are or will be responsible for the existence, genuineness, value or protection of any Common Collateral, for the legality, enforceability, effectiveness or sufficiency of any Credit Facility Collateral Document, for the creation, perfection, priority, sufficiency or protection of any Lien created under any Credit Facility Collateral Document or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any Credit Facility Collateral Document or any Lien created thereunder, or for any delay in doing so.

SECTION 6. *Insolvency or Liquidation Proceedings*

6.1 *Financing Matters*

If the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Credit Facility Agent shall desire to permit the use of cash collateral or to permit the Company or any other Grantor to obtain financing under Section 363 or Section 364 of Title 11 of the United States Code or any similar Bankruptcy Law ("*DIP Financing*") in an aggregate principal amount, which when taken together with the aggregate principal amount of all pre-petition Credit Facility Claims (excluding any Credit Facility Cash Management Obligations and Credit Facility Hedging Obligations but including any Protective Advance Obligations) does not exceed the then permitted Maximum Credit Facility Principal Amount on such date, and, in any event, that is not to be secured by any of the Indenture Priority Collateral, then the Indenture Agent, on behalf of itself and the Indenture Holders, agrees that it will raise no objection to such use of cash collateral or DIP Financing and will not request adequate protection or any other relief in connection therewith (except to the extent permitted by *Section 6.3* or relating to the Indenture Priority Collateral), and, to the extent the Liens securing the Credit Facility Claims are subordinated or pari passu with such DIP Financing, will subordinate its Liens in the Common Collateral (other than the Indenture Priority Collateral) to such DIP Financing (and all Obligations relating thereto) on the same basis as the Liens on the Credit Facility Priority Collateral that secures the Indenture Obligations are subordinated to the Liens thereon that secures the Credit Facility Claims under this Agreement, and agrees that notice received two (2) calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice.

6.2 *Relief from the Automatic Stay*

(a) Until the Discharge of Credit Facility Claims has occurred, the Indenture Agent, on behalf of itself and the Indenture Holders, agrees that none of them shall seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Credit Facility Priority Collateral, without the prior written consent of the Credit Facility Agent.

(b) Until the Discharge of Indenture Obligations has occurred, the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that none of them shall seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Indenture Priority Collateral, without the prior written consent of the Indenture Agent.

6.3 *Adequate Protection*

(a) The Indenture Agent, on behalf of itself and the Indenture Holders, agrees that none of them shall contest (or support any other Person contesting): (a) any request by the Credit Facility Agent or the Credit Facility Claim Holders for adequate protection; or (b) any objection by the Credit Facility Agent or the Credit Facility Claim Holders to any motion, relief, action or proceeding based on the Credit Facility Agent or the Credit Facility Claim Holders claiming a lack of adequate protection, in each case, in respect of the Credit Facility Priority Collateral. Notwithstanding the foregoing contained in this *Section 6.3(a)*, in any Insolvency or Liquidation Proceeding, (i) if the Credit Facility Claim Holders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of Title 11 of the United States Code or any similar Bankruptcy Law, then the Indenture Agent, on behalf of itself or any of the Indenture Holders, may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which Lien, if any, on any assets not constituting Indenture Priority Collateral or not of the type constituting Indenture Priority Collateral shall be subordinated to the Liens securing the Credit Facility Claims and such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens on the Credit Facility Priority Collateral that secures the Indenture Obligations are so subordinated to the Liens thereon that secures the Credit Facility Claims under this Agreement, and (ii) in the event the Indenture Agent, on behalf of itself and the Indenture Holders, seeks or requests adequate protection and such adequate protection is granted in the form of additional collateral that does not constitute Indenture Priority Collateral or is not of the type constituting Indenture Priority Collateral, then the Indenture Agent, on behalf of itself or any of the Indenture Holders, agrees that the Credit Facility Agent shall also be granted a senior Lien on such additional collateral as security for the Credit Facility Claims and any such DIP Financing and that any Lien on such additional collateral securing the Indenture Obligations shall be subordinated to the Liens on such collateral securing the Credit Facility Claims and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the Credit Facility Claim Holders as adequate protection on the same basis as the other Liens on the Credit Facility Priority Collateral that secures the Indenture Obligations are so subordinated to the Liens thereon that secures such Credit Facility Claims under this Agreement.

(b) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that none of them shall contest (or support any other Person contesting): (a) any request by the Indenture Agent or the Indenture Holders for adequate protection; or (b) any objection by the Indenture Agent or the Indenture Holders to any motion, relief, action or proceeding based on the Indenture Agent or the Indenture Holders claiming a lack of adequate protection, in each case, in respect of the Indenture Priority Collateral. Notwithstanding the foregoing contained in this *Section 6.3(b)*, in any Insolvency or Liquidation Proceeding, (i) if the Indenture Holders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of Title 11 of the United States Code or any similar Bankruptcy Law, then the Credit Facility Agent, on behalf of itself or any of the Credit Facility Claim Holders, may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which Lien, if any, on any assets not constituting Credit Facility Priority Collateral or not of the type constituting Credit Facility Priority Collateral shall be subordinated to the Liens securing the Indenture Obligations and such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens on the Indenture Priority Collateral that secures the Credit Facility Claims are so subordinated to the Liens thereon that secures the Indenture Obligations under this Agreement, and (ii) in the event the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, seeks or requests adequate protection and such adequate protection is granted in the form of additional collateral that does not constitute Credit Facility Priority Collateral or is not of the type

constituting Credit Facility Priority Collateral, then the Credit Facility Agent, on behalf of itself or any of the Credit Facility Claim Holders, agrees that the Indenture Agent shall also be granted a senior Lien on such additional collateral as security for the Indenture Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Credit Facility Claims shall be subordinated to the Liens on such collateral securing the Indenture Obligations and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the Indenture Holders as adequate protection on the same basis as the other Liens on the Indenture Priority Collateral that secures the Credit Facility Claims are so subordinated to the Liens thereon that secures such Indenture Obligations under this Agreement.

6.4 *No Waiver*

(a) Nothing contained herein shall prohibit or in any way limit the Indenture Agent or any Indenture Holder from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the Credit Facility Agent or any of the Credit Facility Claim Holders with respect to the Indenture Priority Collateral, including the seeking by the Credit Facility Agent or any Credit Facility Claim Holder of adequate protection consisting of replacement Liens on the Indenture Priority Collateral (other than as allowed pursuant to *Section 6.3(b)* above) or the asserting by the Credit Facility Agent or any Credit Facility Claim Holder of any of its rights and remedies under the Credit Facility Documents or otherwise in respect of the Indenture Priority Collateral.

(b) Nothing contained herein shall prohibit or in any way limit the Credit Facility Agent or any Credit Facility Claim Holder from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the Indenture Agent or any of the Indenture Holders with respect to the Credit Facility Priority Collateral, including the seeking by the Indenture Agent or any Indenture Holder of adequate protection consisting of replacement Liens on the Credit Facility Priority Collateral (other than as allowed pursuant to *Section 6.3(a)* above) or the asserting by the Indenture Agent or any Indenture Holder of any of its rights and remedies under the Indenture Documents or otherwise in respect of the Credit Facility Priority Collateral.

6.5 *Preference Issues*

(a) If any Credit Facility Claim Holder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the Company or any other Grantor any amount (a "*Credit Facility Claim Recovery*") received in respect of any Credit Facility Priority Collateral, then the Credit Facility Claims shall be reinstated to the extent of such Credit Facility Claim Recovery and the Credit Facility Claim Holders shall be entitled to receive payment in full in cash with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Credit Facility Claim Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Indenture Agent and each Indenture Holder agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise; it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

(b) If any Indenture Holder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the Company or any other Grantor any amount (a "*Indenture Obligation Recovery*") received in respect of any Indenture Priority Collateral, then the Indenture Obligations shall be reinstated to the extent of such Indenture Obligation Recovery and the Indenture Holders shall be entitled to receive payment in full in cash (including, in the case of any letter of credit, cash collateral therefor) with respect to all such recovered

amounts. If this Agreement shall have been terminated prior to such Indenture Obligation Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Credit Facility Agent and each Credit Facility Claim Holder agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise; it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

6.6 *Asset Dispositions in an Insolvency or Liquidation Proceeding*

(a) Neither the Indenture Agent nor any other Indenture Holder shall, in an Insolvency or Liquidation Proceeding or otherwise, oppose any sale or disposition of any assets of any Grantor solely consisting of any Credit Facility Priority Collateral that is supported by the Credit Facility Claim Holders, and the Indenture Agent and each other Indenture Holder will be deemed to have consented under Section 363 of Title 11 of the United States Code (and otherwise) to any sale supported by the requisite Indenture Holders (as determined in accordance with the Indenture) and to have released their Liens in such assets.

(b) Neither the Credit Facility Agent nor any other Credit Facility Claim Holder shall, in an Insolvency or Liquidation Proceeding or otherwise, oppose any sale or disposition of any assets of any Grantor solely consisting of any Indenture Priority Collateral that is supported by the requisite Indenture Holders (as determined in accordance with the Indenture), and the Credit Facility Agent and each other Credit Facility Claim Holder will be deemed to have consented under Section 363 of Title 11 of the United States Code (and otherwise) to any sale supported by the requisite Indenture Holders (as determined in accordance with the Indenture) and to have released their Liens in such assets.

6.7 *Separate Grants of Security and Separate Classification.*

The Indenture Holders and the Credit Facility Claim Holders acknowledge and agree that: (a) the grants of Liens pursuant to the Credit Facility Collateral Documents and the Indenture Collateral Documents constitute two separate and distinct grants of Liens; and (b) because of, among other things, their differing rights in the Common Collateral, the Indenture Obligations are fundamentally different from the Credit Facility Claims and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims against the Credit Facility Claim Holders and Indenture Holders in respect of the Common Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then: (i) the Indenture Holders hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Credit Facility Priority Collateral (with the effect being that, to the extent that the aggregate value of the Credit Facility Priority Collateral is sufficient (for this purpose ignoring all claims held by the Indenture Holders), the Credit Facility Claim Holders shall be entitled to receive from the Credit Facility Priority Collateral or proceeds thereof, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of all interest accrued (or which would have, absent the commencement of an Insolvency or Liquidation Proceeding, accrued) after the commencement of an Insolvency or Liquidation Proceeding before any distribution is made from the Credit Facility Priority Collateral or proceeds thereof in respect of the claims held by the Indenture Holders), with the Indenture Holders hereby acknowledging and agreeing to turn over to the Credit Facility Claim Holders amounts otherwise received or receivable by them from the Credit Facility Priority Collateral or

proceeds thereof to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Indenture Holders; and (ii) the Credit Facility Claim Holders hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Indenture Priority Collateral (with the effect being that, to the extent that the aggregate value of the Indenture Priority Collateral is sufficient (for this purpose ignoring all claims held by the Credit Facility Claim Holders), the Indenture Holders shall be entitled to receive from the Indenture Priority Collateral or proceeds thereof, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of all interest accrued (or which would have, absent the commencement of an Insolvency or Liquidation Proceeding, accrued) after the commencement of an Insolvency or Liquidation Proceeding before any distribution is made from the Indenture Priority Collateral or proceeds thereof in respect of the claims held by the Credit Facility Claim Holders), with the Credit Facility Claim Holders hereby acknowledging and agreeing to turn over to the Indenture Holders amounts otherwise received or receivable by them from the Indenture Priority Collateral or proceeds thereof to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Credit Facility Claim Holders.

6.8 *Filing of Motions.*

(a) Until the Discharge of Credit Facility Claims has occurred, the Indenture Agent agrees on behalf of itself and the other Indenture Holders that no Indenture Holder shall, in or in connection with any Insolvency or Liquidation Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case in respect of any of the Credit Facility Priority Collateral, including, without limitation, with respect to the determination of any Liens or claims held by the Credit Facility Agent (including the validity and enforceability thereof) or any other Credit Facility Claim Holder or the value of any claims of such parties under Section 506(a) of Title 11 of the United States Code or otherwise; *provided* that the Indenture Holders may file a proof of claim or a statement of interest pursuant to *Section 3.1(a)(ii)(A)* .

(b) Until the Discharge of Indenture Obligations has occurred, the Credit Facility Agent agrees on behalf of itself and the other Credit Facility Claim Holders that no Credit Facility Claim Holder shall, in or in connection with any Insolvency or Liquidation Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case in respect of any of the Indenture Priority Collateral, including, without limitation, with respect to the determination of any Liens or claims held by the Indenture Agent (including the validity and enforceability thereof) or any other Indenture Holder or the value of any claims of such parties under Section 506(a) of Title 11 of the United States Code or otherwise; *provided* that the Credit Facility Claim Holders may file a proof of claim or a statement of interest pursuant to *Section 3.1(b)(ii)(A)* .

6.9 *Other Matters.*

(a) To the extent that the Indenture Agent or any Indenture Holder has or acquires rights under Section 363 or Section 364 of Title 11 of the United States Code with respect to any of the Credit Facility Priority Collateral, the Indenture Agent agrees, on behalf of itself and the other Indenture Holders not to assert any of such rights without the prior written consent of the Credit Facility Agent; *provided* that if requested by the Credit Facility Agent, the Indenture Agent shall timely exercise such rights in the manner requested by the Credit Facility Agent, including any rights to payments in respect of such rights.

(b) To the extent that the Credit Facility Agent or any Credit Facility Claim Holder has or acquires rights under Section 363 or Section 364 of Title 11 of the United States Code with respect

to any of the Indenture Priority Collateral, the Credit Facility Agent agrees, on behalf of itself and the other Credit Facility Claim Holders not to assert any of such rights without the prior written consent of the Indenture Agent; *provided* that if requested by the Indenture Agent, the Credit Facility Agent shall timely exercise such rights in the manner requested by the Indenture Agent, including any rights to payments in respect of such rights.

6.10 *Effectiveness in Insolvency or Liquidation Proceedings.*

This Agreement shall be effective both before and after the commencement of an Insolvency or Liquidation Proceeding.

SECTION 7. *Reliance; Waivers; Etc.*

7.1 *Reliance*

All loans and other extensions of credit made or deemed made on and after the date hereof by the Credit Facility Claim Holders to the Company or any other Grantor shall be deemed to have been given and made in reliance upon this Agreement.

7.2 *No Warranties or Liability*

The Indenture Agent, on behalf of itself and the Indenture Holders, acknowledges and agrees that each of the Credit Facility Agent and the Credit Facility Claim Holders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Credit Facility Documents, the ownership of any Common Collateral or the perfection or priority of any Liens thereon.

The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, acknowledges and agrees that each of the Indenture Agent and the Indenture Holders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Indenture Documents, the ownership of any Common Collateral or the perfection or priority of any Liens thereon.

The Credit Facility Claim Holders will be entitled to manage and supervise their respective loans and extensions of credit under the Credit Facility Documents as they may, in their sole discretion, deem appropriate, and the Credit Facility Claim Holders may manage their loans and extensions of credit without regard to any rights or interests that the Indenture Agent or any of the Indenture Holders have in the Credit Facility Priority Collateral or otherwise, except as otherwise provided in this Agreement. Neither the Credit Facility Agent nor any Credit Facility Claim Holder shall have any duty to the Indenture Agent or any of the Indenture Holders to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any other Grantor (including the Indenture Documents), regardless of any knowledge thereof which they may have or be charged with.

The Indenture Holders will be entitled to manage and supervise their respective loans and extensions of credit under the Indenture Documents as they may, in their sole discretion, deem appropriate, and the Indenture Holders may manage their loans and extensions of credit without regard to any rights or interests that the Credit Facility Agent or any of the Credit Facility Claim Holders have in the Indenture Priority Collateral or otherwise, except as otherwise provided in this Agreement. Neither the Indenture Agent nor any Indenture Holder shall have any duty to the Credit Facility Agent or any of the Credit Facility Claim Holders to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any other Grantor (including the Credit Facility Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 *No Waiver of Lien Priorities*

(a) *With Respect to the Credit Facility Claim Holders*

(i) No right of the Credit Facility Claim Holders, the Credit Facility Agent or any of them to enforce any provision of this Agreement or any Credit Facility Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any other Grantor or by any act or failure to act by any Credit Facility Claim Holder or the Credit Facility Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Credit Facility Documents or any of the Indenture Documents, regardless of any knowledge thereof which the Credit Facility Agent or the Credit Facility Claim Holders, or any of them, may have or be otherwise charged with;

(ii) Without in any way limiting the generality of the foregoing paragraph and subject to this Agreement, the Credit Facility Claim Holders, the Credit Facility Agent and any of them, may, at any time and from time to time, without the consent of, or notice to, the Indenture Agent or any Indenture Holder, without incurring any liabilities to the Indenture Agent or any Indenture Holder and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the Indenture Agent or any Indenture Holder is affected, impaired or extinguished thereby) do any one or more of the following:

(A) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Credit Facility Claims or any Lien on any Credit Facility Priority Collateral or guaranty thereof or any liability of the Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Credit Facility Claims, without any restriction as to the amount, tenor or terms of any such increase or extension, or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Credit Facility Agent or any of the Credit Facility Claim Holders, the Credit Facility Claims or any of the Credit Facility Documents);

(B) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Credit Facility Priority Collateral or any liability of the Company or any other Grantor to the Credit Facility Claim Holders or the Credit Facility Agent, or any liability incurred directly or indirectly in respect thereof;

(C) settle or compromise any Credit Facility Claim or any other liability of the Company or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including the Credit Facility Claims) in any manner or order;

(D) enter into or amend any Credit Facility Document in order to create or acquire additional collateral for the Credit Facility Claims, to create and perfect security interests in and Liens on collateral and to increase and enhance the exercise of remedies thereunder and take actions in furtherance of the foregoing; and

(E) exercise or delay in or refrain from exercising any right or remedy against the Company or any security or any other Grantor or any other Person, elect any remedy and otherwise deal freely with the Company, any other Grantor or any Credit Facility Priority Collateral and any security and any guarantor or any liability of the Company or any other Grantor to the Credit Facility Claim Holders or any liability incurred directly or indirectly in respect thereof.

(iii) The Indenture Agent, on behalf of itself and the Indenture Holders, also agrees that the Credit Facility Claim Holders and the Credit Facility Agent shall have no liability to the Indenture Agent or any Indenture Holder, and the Indenture Agent, on behalf of itself and the Indenture Holders, hereby waives any claim against any Credit Facility Claim Holder or the Credit Facility Agent, arising out of any and all actions which the Credit Facility Claim Holders or the Credit Facility Agent may take or permit or omit to take with respect to: (i) the Credit Facility Documents, (ii) the collection of the Credit Facility Claims or (iii) the foreclosure upon, or sale, liquidation or other disposition of, any Credit Facility Priority Collateral. The Indenture Agent, on behalf of itself and the Indenture Holders, agrees that the Credit Facility Claim Holders and the Credit Facility Agent have no duty to them in respect of the maintenance or preservation of the Credit Facility Priority Collateral, the Credit Facility Claims or otherwise; and

(iv) The Indenture Agent, on behalf of itself and the Indenture Holders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law or any other similar rights a junior secured creditor may have under applicable law.

(b) *With Respect to the Indenture Holders*

(i) No right of the Indenture Holders, the Indenture Agent or any of them to enforce any provision of this Agreement or any Indenture Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any other Grantor or by any act or failure to act by any Indenture Holder or the Indenture Agent, or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Indenture Documents or any of the Credit Facility Documents, regardless of any knowledge thereof which the Indenture Agent or the Indenture Holders, or any of them, may have or be otherwise charged with;

(ii) Without in any way limiting the generality of the foregoing paragraph and subject to this Agreement, the Indenture Holders, the Indenture Agent and any of them, may, at any time and from time to time, without the consent of, or notice to, the Credit Facility Agent or any Credit Facility Claim Holder, without incurring any liabilities to the Credit Facility Agent or any Credit Facility Claim Holder and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy of the Credit Facility Agent or any Credit Facility Claim Holder is affected, impaired or extinguished thereby) do any one or more of the following:

(A) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Indenture Obligations or any Lien on any Indenture Priority Collateral or guaranty thereof or any liability of the Company or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Indenture Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension, or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Indenture Agent or any of the Indenture Holders, the Indenture Obligations or any of the Indenture Documents);

(B) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Indenture Priority Collateral or any liability of the Company or any other Grantor to the Indenture Holders or the Indenture Agent, or any liability incurred directly or indirectly in respect thereof;

(C) settle or compromise any Indenture Obligation or any other liability of the Company or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability (including the Indenture Obligations) in any manner or order;

(D) enter into or amend any Indenture Document in order to create or acquire additional collateral for the Indenture Obligations, to create and perfect security interests in and Liens on collateral and to increase and enhance the exercise of remedies thereunder and take actions in furtherance of the foregoing; and

(E) exercise or delay in or refrain from exercising any right or remedy against the Company or any security or any other Grantor or any other Person, elect any remedy and otherwise deal freely with the Company, any other Grantor or any Indenture Priority Collateral and any security and any guarantor or any liability of the Company or any other Grantor to the Indenture Holders or any liability incurred directly or indirectly in respect thereof.

(iii) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, also agrees that the Indenture Holders and the Indenture Agent shall have no liability to the Credit Facility Agent or any Credit Facility Claim Holder, and the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, hereby waives any claim against any Indenture Holder or the Indenture Agent, arising out of any and all actions which the Indenture Holders or the Indenture Agent may take or permit or omit to take with respect to: (i) the Indenture Documents, (ii) the collection of the Indenture Obligations or (iii) the foreclosure upon, or sale, liquidation or other disposition of, any Indenture Priority Collateral (but only so long as such foreclosure, sale, liquidation or other disposition is conducted in accordance with *Section 3.2(a), (f), (g)* and *(h)*). The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that the Indenture Holders and the Indenture Agent have no duty to them in respect of the maintenance or preservation of the Indenture Priority Collateral, the Indenture Obligations or otherwise; and

(iv) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law or any other similar rights a junior secured creditor may have under applicable law.

7.4 *Obligations Unconditional*

All rights, interests, agreements and obligations of the Credit Facility Agent and the Credit Facility Claim Holders and the Indenture Agent and the Indenture Holders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Credit Facility Documents or any Indenture Documents;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Credit Facility Claims or Indenture Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the Credit Agreement or any other Credit Facility Document or of the terms of the Indenture or any other Indenture Document;

(c) any exchange of any security interest in any Common Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or

otherwise, of all or any of the Credit Facility Claims or Indenture Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Company or any other Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the Credit Facility Claims or the Indenture Obligations, or of the Indenture Agent or any Indenture Holder in respect of this Agreement, or of the Credit Facility Agent or any Credit Facility Claim Holder in respect of this Agreement.

SECTION 8. *Miscellaneous*

8.1 *Conflicts*

In the event of any conflict between the provisions of this Agreement and the provisions of the Credit Facility Documents or the Indenture Documents, the provisions of this Agreement shall govern as to the relationship between the Credit Facility Claim Holders and the Indenture Holders.

8.2 *Continuing Nature of this Agreement; Severability*

This Agreement shall continue to be effective until the Discharge of Credit Facility Claims or the Discharge of Indenture Obligations shall have occurred. This is a continuing agreement of lien subordination and (a) the Credit Facility Claim Holders may continue, at any time and without notice to the Indenture Agent or any Indenture Holder, to extend credit and other financial accommodations and lend monies to or for the benefit of the Company or any other Grantor constituting Credit Facility Claims on reliance hereof and (b) the Indenture Holders may continue, at any time and without notice to the Credit Facility Agent or any Credit Facility Claim Holder, to extend credit and other financial accommodations to or for the benefit of the Company or any other Grantor constituting Indenture Obligations (including by means of purchasing any Notes issued by the Company) on reliance hereof. Each of the Indenture Agent, on behalf of itself and the Indenture Holders, and the Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate 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.

8.3 *Amendments; Waivers*

No amendment, modification or waiver of any of the provisions of this Agreement by the Indenture Agent or the Credit Facility Agent shall be deemed to be made unless the same shall be in writing signed on behalf of the party making the same or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. The Company and other Grantors shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement.

8.4 *Information Concerning Financial Condition of the Company and the Other Grantors*

(a) The Credit Facility Agent and the Credit Facility Claim Holders, on the one hand, and the Indenture Agent and the Indenture Holders, on the other hand, shall not be responsible for

keeping any other Person informed of (i) the financial condition of the Company and the other Grantors and all endorsers and/or guarantors of the Indenture Obligations or the Credit Facility Claims and (ii) all other circumstances bearing upon the risk of nonpayment of the Indenture Obligations or the Credit Facility Claims.

(b) Subject to *Section 5.6(b)*, the Credit Facility Agent and the Credit Facility Claim Holders shall have no duty to advise the Indenture Agent or any Indenture Holder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event the Credit Facility Agent or any of the Credit Facility Claim Holders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to the Indenture Agent or any Indenture Holder, it or they shall be under no obligation: (i) to make, and the Credit Facility Agent and the Credit Facility Claim Holders shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) to provide any additional information or to provide any such information on any subsequent occasion, (iii) to undertake any investigation, or (iv) to disclose any information which, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

(c) Subject to *Section 5.6(a)*, the Indenture Agent and the Indenture Holders shall have no duty to advise any Credit Facility Agent or any Credit Facility Claim Holder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event the Indenture Agent or any of the Indenture Holders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to any Credit Facility Agent or any Credit Facility Claim Holder, it or they shall be under no obligation: (i) to make, and the Indenture Agent and the Indenture Holders shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) to provide any additional information or to provide any such information on any subsequent occasion, (iii) to undertake any investigation, or (iv) to disclose any information which, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 *Subrogation*

(a) The Indenture Agent, on behalf of itself and the Indenture Holders, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Credit Facility Claims has occurred.

(b) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Indenture Obligations has occurred.

8.6 *Consent to Jurisdiction; Waivers*

The parties hereto consent to the jurisdiction of any state or federal court located in New York, New York, and consent that all service of process may be made by registered mail directed to such party as provided in *Section 8.7* below for such party. The parties hereto waive any objection to any action instituted hereunder based on *forum non conveniens*, and any objection to the venue of any action instituted hereunder. **Each of the parties hereto waives any right it may have to trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, verbal or written statement or action of any party hereto**.

8.7 *Notices*

All notices to the Indenture Holders and the Credit Facility Claim Holders permitted or required under this Agreement may be sent to the Indenture Agent and the Credit Facility Agent, respectively. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, sent via facsimile, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail, one Business Day after mailing if sent by overnight courier, or four Business Days after deposit in the U.S. mail (registered or certified, with postage prepaid and properly addressed). All notices hereunder shall not be effective until received. For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.8 *Further Assurances*

(a) The Indenture Agent, on behalf of itself and the Indenture Holders, agrees that each of them, at the Company's expense, shall take such further action and shall execute and deliver to the Credit Facility Agent and the Credit Facility Claim Holders such additional documents and instruments (in recordable form, if requested) as the Credit Facility Agent or the Credit Facility Claim Holders may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement.

(b) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, agrees that each of them, at the Company's expense, shall take such further action and shall execute and deliver to the Indenture Agent and the Indenture Holders such additional documents and instruments (in recordable form, if requested) as the Indenture Agent or the Indenture Holders may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement.

8.9 *Governing Law*

This Agreement has been delivered and accepted at and shall be deemed to have been made in New York, New York and shall be interpreted, and the rights and liabilities of the parties bound hereby determined, in accordance with the laws of the State of New York.

8.10 *Binding on Successors and Assigns*

(a) This Agreement shall be binding upon the Credit Facility Agent, the Credit Facility Claim Holders, the Indenture Agent, the Indenture Holders, the Company, the other Grantors and their respective successors and permitted assigns.

(b) This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and their respective successors and assigns and shall inure to the benefit of each of the holders of Credit Facility Claims and Indenture Obligations. No other Person, including the Company or any other Grantor, the Company or any other Grantor as debtor-in-possession or any trustee in an Insolvency or Liquidation Proceeding, shall have or be entitled to assert rights or benefits hereunder.

8.11 *Specific Performance*

(a) Each of the Credit Facility Agent and the Indenture Agent may demand specific performance of this Agreement.

(b) The Indenture Agent, on behalf of itself and the Indenture Holders, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might

be asserted to bar the remedy of specific performance in any action which may be brought by the Credit Facility Agent.

(c) The Credit Facility Agent, on behalf of itself and the Credit Facility Claim Holders, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the Indenture Agent.

8.12 *Counterparts*

This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same document.

8.13 *Authorization*

By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.14 *Effectiveness*

This Agreement shall become effective when executed and delivered by the parties hereto.

8.15 *Indenture Holders' Purchase Option*

Upon the occurrence and during the continuance of (a) the acceleration prior to maturity of all or any portion of the Indebtedness then outstanding under the Credit Agreement, (b) the exercise of any remedy with respect to Liens on the Common Collateral by the Credit Facility Agent, (c) a default in any scheduled payment of principal, premium, if any, interest or fees under the Indenture or the Credit Agreement that remains uncured or unwaived for a period of 30 days in the aggregate, or (d) the commencement of an Insolvency or Liquidation Proceeding, the Noteholders may, at their sole expense and effort, upon notice from the Indenture Agent at the direction of such Noteholders to the Company and the Credit Facility Agent, irrevocably require the Credit Facility Claim Holders to transfer and assign to the Noteholders, without warranty or representation or recourse (other than the representation or warranty that such Credit Facility Claims are being transferred without any Lien created by the Credit Facility Claim Holders), all (but not less than all) of the Credit Facility Claims and all rights of the Credit Facility Claim Holders under the Credit Facility Documents with respect to the Credit Facility Claims; *provided* that (x) the Credit Facility Agent and the Credit Facility Claim Holders shall retain all rights to be indemnified or to be held harmless by the Grantors in accordance with the terms of the Credit Facility Documents, (y) such assignment shall not conflict with any law, rule or regulation or order of any court or other governmental authority having jurisdiction, and (z) the Noteholders shall have paid to the Credit Facility Agent, for the account of the Credit Facility Claim Holders, in immediately available funds, an amount equal to 100% of the principal of such Indebtedness (including Credit Facility Hedging Obligations, Protective Advance Obligations and Credit Facility Cash Management Obligations) *plus* all accrued and unpaid interest thereon *plus* all accrued and unpaid fees (including, without limitation, reasonable attorney's fees and costs) including any breakage costs and expenses (other than any other fees that become due as a result of the prepayment of the loans and other advances under, or early termination of, the Credit Agreement (such fees are referred to hereinafter as "*Termination Fees*")) *plus* all the other Credit Facility Claims then outstanding (which shall include, with respect to the aggregate face amount of the letters of credit outstanding under the Credit Agreement, an amount in cash equal to 105% thereof). In order to effectuate the foregoing, the Credit Facility Agent shall provide an estimated calculation, upon the written request of the Noteholders submitted through the Indenture Agent from time to time (but in no event more than twice in any calendar month), the amount in cash that would be necessary to so purchase the Credit Facility Claims. If the right set forth in this

Section 8.16 is exercised: (1) the parties shall endeavor to close promptly thereafter but in any event within ten (10) Business Days of the notice set forth in the first sentence of this *Section 8.15*, (2) such purchase of the Credit Facility Claims shall be exercised pursuant to documentation mutually acceptable to each of the Credit Facility Agent and the Noteholders purchasing such claims, and (3) such Credit Facility Claims shall be purchased pro rata among the Noteholders giving notice to the Indenture Agent of their intent to exercise the purchase option hereunder according to such Noteholders' portion of the Indenture Obligations outstanding on the date of purchase pursuant to this *Section 8.15*. Notwithstanding anything to the contrary herein, if, at any time following the consummation of such transfer and assignment and the occurrence of the Discharge of Credit Facility Claims and the Discharge of Indenture Obligations (other than the payment of any fees that become due as a result of the prepayment or termination of the Indenture Obligations), the Noteholders recover any Termination Fees prior to the first anniversary of the date of such transfer and assignment is consummated, they shall turn over such fees to Credit Facility Claim Holders in the form and to the extent received. In the event that any one or more of the Noteholders exercises the purchase option set forth in this *Section 8.15*: (A) the Credit Facility Agent shall have the right, but not the obligation, to immediately resign under the Credit Facility Documents upon the closing of such purchase, (B) the purchasing Noteholders shall have the right, but not the obligation, to require the Credit Facility Agent to immediately resign under the Credit Facility Documents upon the closing of such purchase, and (C) the Credit Facility Agent shall take such action with respect to the Common Collateral in an Insolvency or Liquidation Proceeding as may be reasonably requested in good faith and in writing by the Indenture Agent (at the direction and on behalf of the purchasing Noteholders) until the closing of such purchase (but in no event later than ten (10)Business Days after the delivery of notice set forth in the first sentence of this *Section 8.15*); *provided*, *however*, (I) if the Credit Facility Agent so requests, it shall first be indemnified to its reasonable satisfaction from the purchasing Noteholders against any and all liability, loss and expense that may be incurred by it by reason of taking or continuing to take, or refraining from taking, any such action, (II) the Credit Facility Agent shall not be required to take any action that, in the determination of the Credit Facility Agent, is not permitted under the Credit Facility Documents or applicable law or will result in liability to the Credit Facility Agent or any of the Credit Facility Claim Holders, (III) unless and until the Credit Facility Agent has received any such written request or indemnification, the Credit Facility Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Insolvency or Liquidation Proceeding as it shall deem advisable or as the Credit Facility Claim Holders shall so direct, and (IV) the Credit Facility Agent shall have the right, but not the obligation, to appoint any purchasing Noteholder, as its agent for the purposes of taking any action requested by the Indenture Agent pursuant to this *clause (C)*.

8.16 *Credit Facility Agent and Indenture Agent*

It is understood and agreed that (a) Keybank National Association is entering into this Agreement in its capacity as Credit Facility Agent and the provisions of Article X of the Credit Agreement applicable to it as the "Agent" thereunder shall also apply to it as Credit Facility Agent hereunder, and (b) Wilmington Trust FSB is entering in this Agreement in its capacity as "Trustee" (including its capacity as "Collateral Agent" under the Indenture and the other Indenture Documents) and the provisions of Articles Seven and Twelve of the Indenture applicable to the "Trustee" thereunder shall also apply to the Indenture Agent hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

CREDIT FACILITY AGENT:

KEYBANK NATIONAL ASSOCIATION, as Credit Facility Agent

By: /s/ John P. Dunn

Name: John P. Dunn
Title: Vice President

Address: 127 Public Square
Cleveland, Ohio 44114

Attention: Asset Based Lending

INDENTURE AGENT:

WILMINGTON TRUST FSB, as Indenture Agent

By: /s/ Jane Schweiger

Name: Jane Schweiger
Title: Vice President

Address: Wilmington Trust FSB
CCS-Corporate Capital Markets
50 South Sixth Street
Suite 1290
Minneapolis, MN 55402-1544

Attention: Kratos Defense & Security Solutions
Administrator

ACKNOWLEDGMENT

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Intercreditor Agreement and acknowledges and agrees to the foregoing terms and provisions. By its signature below, each of the undersigned agrees that it will, together with its successors and assigns, be bound by the provisions hereof.

Each of the undersigned acknowledges and agrees that: (i) although it may sign this Acknowledgment to the Intercreditor Agreement, it is not a party thereto and does not and will not receive any right, benefit, priority or interest under or because of the existence of this Acknowledgment to the Intercreditor Agreement and (ii) it will execute and deliver such additional documents and take such additional action as may be necessary or desirable in the reasonable opinion of any of the Credit Facility Agent and the Indenture Agent to effectuate the provisions and purposes of the Intercreditor Agreement.

Each of the undersigned hereby expressly authorizes the Credit Facility Agent and the Indenture Agent to provide information to each other from time to time as set forth in this Agreement with respect to the Company, any Grantor, the Credit Facility Claims and the Indenture Obligations.

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

AI METRIX, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DEFENSE SYSTEMS, INCORPORATED

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DIGITAL FUSION SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DIGITAL FUSION, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DTI ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HAVERSTICK CONSULTING, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HAVERSTICK GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HGS HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

JMA ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS COMMERCIAL SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS MID-ATLANTIC, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS SOUTHEAST, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS SOUTHWEST, L.P.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of Kratos Texas, Inc. General Partner of Kratos Southwest, LP

KRATOS TEXAS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

MADISON RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

POLEXIS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

REALITY BASED IT SERVICES, LTD.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

ROCKET SUPPORT SERVICES, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of HGS Holdings, Inc., Managing Member of Rocket Support Services, LLC

SHADOW I, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW II, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW III, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SUMMIT RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SYS

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

WFI NMC CORP.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

CHARLESTON MARINE CONTAINERS INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DALLASTOWN REALTY I, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of Gichner Holdings, Inc., Member and Manager of Dallastown Realty I, LLC

DALLASTOWN REALTY II, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer of Dallastown Realty I, LLC, Member and Manager of Dallastown Realty II, LLC

GICHNER HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER SYSTEMS GROUP, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER SYSTEMS INTERNATIONAL, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

QuickLinks

Exhibit 10.4

$225,000,000

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

$225,000,000 10% of Senior Secured Notes due 2017

REGISTRATION RIGHTS AGREEMENT

May 19, 2010

JEFFERIES & COMPANY, INC.
520 Madison Avenue
New York, New York 10022

B. RILEY & CO., LLC
11100 Santa Monica Blvd. Suite 800
Los Angeles, California 90025

IMPERIAL CAPITAL, LLC
2000 Avenue of the Stars 9th Floor South
Los Angeles, California 90067

KEYBANC CAPITAL MARKETS INC.
127 Public Square
Cleveland, Ohio 44114-1306

NOBLE INTERNATIONAL INVESTMENTS, INC.
6501 Congress Avenue
Boca Raton, Florida 33487

Ladies and Gentlemen:

Kratos Defense & Security Solutions, Inc, a Delaware corporation (the "*Company*") is issuing and selling to Jefferies & Company, Inc. ("*Jefferies*") and the other initial purchasers listed in *Schedule I* hereto (the "*Initial Purchasers*"), upon the terms set forth in the Purchase Agreement dated May 12, 2010, by and among the Company, the Initial Purchasers and the subsidiary guarantors named therein (the "*Purchase Agreement*"), $225,000,000 aggregate principal amount of 10% Senior Secured Notes due 2017 issued by the Company (each, a "*Note*" and collectively, the "*Notes*"). As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company and the subsidiary guarantors listed in the signature pages hereto agree with the Initial Purchasers, for the benefit of the Holders (as defined below) of the Notes (including, without limitation, the Initial Purchasers), as follows:

1. ***Definitions***

Capitalized terms that are used herein without definition and are defined in the Purchase Agreement shall have the respective meanings ascribed to them in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

Additional Interest: See Section 4(a).

Advice: See Section 6(w).

Agreement: This Registration Rights Agreement, dated as of the Closing Date, between the Company and the Initial Purchasers.

Applicable Period: See Section 2(e).

Business Day: A day that is not a Saturday, a Sunday or a day on which banking institutions in the City of New York are authorized or required by law or executive order to be closed.

Closing Date: May 19, 2010.

Collateral Agreements: Shall have the meaning set forth in the Indenture.

Company: See the introductory paragraph to this Agreement.

Day: Unless otherwise expressly provided, a calendar day.

Effectiveness Date: The 180th day after the Closing Date, or if such date is not a Business Day, the next succeeding Business Day.

Effectiveness Period: See Section 3(a).

Event Date: See Section 4(b).

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Exchange Notes: Senior Secured Notes due 2017 of the Company, identical in all material respects to the Notes, including the guarantees endorsed thereon, except for references to series and restrictive legends.

Exchange Offer: See Section 2(a).

Exchange Registration Statement: See Section 2(a).

Filing Date: The 90th day after the Closing Date, or if such date is not a Business Day, the next succeeding Business Day.

FINRA: Financial Industry Regulatory Authority:

Holder: Any beneficial holder of Registrable Notes.

Indemnified Party: See Section 8(c).

Indemnifying Party: See Section 8(c).

Indenture: The Indenture, dated as of the Closing Date, among the Company, the Subsidiary Guarantors and Wilmington Trust FSB, as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms hereof.

Initial Purchasers: See the introductory paragraph to this Agreement.

Initial Shelf Registration: See Section 3(a).

Inspectors: See Section 6(o).

Lien: Shall have the meaning set forth in the Indenture.

Losses: See Section 8(a).

Notes: See the introductory paragraph to this Agreement.

Participating Broker-Dealer: See Section 2(e).

Person: An individual, trustee, corporation, partnership, limited liability company, joint stock company, trust, unincorporated association, union, business association, firm, government or agency or political subdivision thereof, or other legal entity.

Private Exchange: See Section 2(f).

Private Exchange Notes: See Section 2(f).

Prospectus: The prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Notes covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

Purchase Agreement: See the introductory paragraph to this Agreement.

Records: See Section 6(o).

Registrable Notes: Notes and Private Exchange Notes, in each case, that may not be sold without restriction under federal or state securities laws.

Registration Statement: Any registration statement of the Company and the Subsidiary Guarantors filed with the SEC under the Securities Act (including, but not limited to, the Exchange Registration Statement, the Shelf Registration and any subsequent Shelf Registration) that covers any of the Registrable Notes pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

Rule 144: Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer or such securities being free of the registration and prospectus delivery requirements of the Securities Act.

Rule 144A: Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the SEC.

Rule 415: Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

Rule 430A: Rule 430A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

SEC: The Securities and Exchange Commission.

Securities: The Notes, the Exchange Notes and the Private Exchange Notes.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Shelf Notice: See Section 2(j).

Shelf Registration: See Section 3(b).

Subsequent Shelf Registration: See Section 3(b).

Subsidiary Guarantor: Each subsidiary of the Company that guarantees the obligations of the Company under the Notes and Indenture.

TIA: The Trust Indenture Act of 1939, as amended.

Trustee: The trustee under the Indenture and, if existent, the trustee under any indenture governing the Exchange Notes and Private Exchange Notes (if any).

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

2. ***Exchange Offer***

(a) Unless the Exchange Offer would not be permitted by applicable laws or a policy of the SEC, the Company shall (and shall cause each Subsidiary Guarantor to) (i) prepare and file with the SEC promptly after the date hereof, but in no event later than the Filing Date, a registration statement (the "*Exchange Registration Statement*") on an appropriate form under the Securities Act with respect to an offer (the "*Exchange Offer*") to the Holders of Notes to issue and deliver to such Holders, in exchange for the Notes, a like principal amount of Exchange Notes, (ii) use its commercially reasonable efforts to cause the Exchange Registration Statement to be declared effective as promptly as practicable after the filing thereof, but in no event later than the Effectiveness Date, (iii) use its commercially reasonable efforts to keep the Exchange Registration Statement effective until the consummation of the Exchange Offer in accordance with its terms, and (iv) commence the Exchange Offer and use its commercially reasonable efforts to issue on or prior to 30 Business Days after the date on which the Exchange Registration Statement is declared effective, Exchange Notes in exchange for all Notes tendered prior thereto in the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate applicable law or any applicable interpretation of the staff of the SEC.

(b) The Exchange Notes shall be issued under, and entitled to the benefits of, (i) the Indenture or a trust indenture that is identical to the Indenture (other than such changes as are necessary to comply with any requirements of the SEC to effect or maintain the qualifications thereof under the TIA) and (ii) the Collateral Agreements.

(c) Interest on the Exchange Notes and Private Exchange Notes will accrue from the last interest payment due date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the date of original issue of the Notes. Each Exchange Note and Private Exchange Note shall bear interest at the rate set forth thereon; *provided*, that interest with respect to the period prior to the issuance thereof shall accrue at the rate or rates borne by the Notes from time to time during such period.

(d) The Company may require each Holder as a condition to participation in the Exchange Offer to represent (i) that any Exchange Notes received by it will be acquired in the ordinary course of its business, (ii) that at the time of the commencement and consummation of the Exchange Offer such Holder has not entered into any arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act, (iii) that if such Holder is an "affiliate" of the either of the Company within the meaning of Rule 405 of the Securities Act, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable to it, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Notes and (v) if such Holder is a Participating Broker-Dealer, that it will deliver a Prospectus in connection with any resale of the Exchange Notes.

(e) The Company shall (and shall cause each Subsidiary Guarantor to) include within the Prospectus contained in the Exchange Registration Statement a section entitled "Plan of Distribution" reasonably acceptable to the Initial Purchasers which shall contain a summary

statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of Exchange Notes received by such broker-dealer in the Exchange Offer for its own account in exchange for Notes that were acquired by it as a result of market-making or other trading activity (a "*Participating Broker-Dealer*"), whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the judgment of the Initial Purchasers, represent the prevailing views of the staff of the SEC. Such "Plan of Distribution" section shall also allow, to the extent permitted by applicable policies and regulations of the SEC, the use of the Prospectus by all Persons subject to the prospectus delivery requirements of the Securities Act, including, to the extent so permitted, all Participating Broker-Dealers, and include a statement describing the manner in which Participating Broker-Dealers may resell the Exchange Notes. The Company shall use its commercially reasonable efforts to keep the Exchange Registration Statement effective and to amend and supplement the Prospectus contained therein, in order to permit such Prospectus to be lawfully delivered by all Persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such Persons must comply with such requirements in order to resell the Exchange Notes (the "*Applicable Period*").

(f) If, upon consummation of the Exchange Offer, any Initial Purchaser holds any Notes acquired by such Initial Purchaser and having the status of an unsold allotment in the initial distribution, the Company (upon the written request from such Initial Purchaser) shall, simultaneously with the delivery of the Exchange Notes in the Exchange Offer, issue and deliver to such Initial Purchaser, in exchange (the "*Private Exchange*") for the Notes held by such Initial Purchaser, a like principal amount of Senior Secured Notes that are identical to the Exchange Notes except for the existence of restrictions on transfer thereof under the Securities Act and securities laws of the several states of the United States (the "*Private Exchange Notes*") (and which are issued pursuant to the same indenture as the Exchange Notes). The Private Exchange Notes shall bear the same CUSIP number as the Exchange Notes.

(g) In connection with the Exchange Offer, the Company shall (and shall cause each Subsidiary Guarantor to):

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Registration Statement, together with an appropriate letter of transmittal that is an exhibit to the Exchange Offer Registration Statement, and any related documents;

(ii) keep the Exchange Offer open for not less than 20 Business Days after the date notice thereof is mailed to the Holders (or longer if required by applicable law);

(iii) utilize the services of a depository for the Exchange Offer with an address in the Borough of Manhattan, the City of New York, which may be the Trustee or an affiliate thereof;

(iv) permit Holders to withdraw tendered Registrable Notes at any time prior to the close of business, New York time, on the last Business Day on which the Exchange Offer shall remain open; and

(v) otherwise comply in all material respects with all applicable laws.

(h) As soon as practicable after the close of the Exchange Offer or the Private Exchange, as the case may be, the Company shall (and shall cause each Subsidiary Guarantor to):

(i) accept for exchange all Registrable Notes validly tendered pursuant to the Exchange Offer or the Private Exchange, as the case may be, and not validly withdrawn;

(ii) deliver to the Trustee for cancellation all Registrable Notes so accepted for exchange; and

(iii) cause the Trustee to authenticate and deliver promptly to each Holder tendering such Registrable Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Notes of such Holder so accepted for exchange.

(i) The Exchange Notes and the Private Exchange Notes may be issued under (i) the Indenture or (ii) an indenture identical to the Indenture (other than such changes as are necessary to comply with any requirements of the SEC to effect or maintain the qualification thereof under the TIA), which in either event will provide that the Exchange Notes will not be subject to the transfer restrictions set forth in the Indenture, that the Private Exchange Notes will be subject to the transfer restrictions set forth in the Indenture, and that the Exchange Notes, the Private Exchange Notes and the Notes, if any, will be deemed one class of security (subject to the provisions of the Indenture) and entitled to participate in all the security granted by the Company pursuant to the Collateral Agreements and in any Subsidiary Guarantee (as such terms are defined in the Indenture) on an equal and ratable basis.

(j) If: (i) prior to the consummation of the Exchange Offer, the Holders of a majority in aggregate principal amount of Registrable Notes determines in its or their reasonable judgment that (A) the Exchange Notes would not, upon receipt, be tradeable by the Holders thereof without restriction under the Securities Act and the Exchange Act and without material restrictions under applicable Blue Sky or state securities laws, or (B) the interests of the Holders under this Agreement, taken as a whole, would be materially adversely affected by the consummation of the Exchange Offer; (ii) applicable interpretations of the staff of the SEC would not permit the consummation of the Exchange Offer prior to the Effectiveness Date; (iii) subsequent to the consummation of the Private Exchange, any Holder of Private Exchange Notes so requests; (iv) the Exchange Offer is not consummated within 300 days of the Closing Date for any reason; or (v) in the case of (A) any Holder not permitted by applicable law or SEC policy to participate in the Exchange Offer, (B) any Holder participating in the Exchange Offer that receives Exchange Notes that may not be sold without restriction under state and federal securities laws (other than due solely to the status of such Holder as an affiliate of the Company within the meaning of the Securities Act) or (C) any broker-dealer that holds Notes acquired directly from the Company or any of its affiliates and, in each such case contemplated by this clause (v), such Holder notifies the Company within six months of consummation of the Exchange Offer, then the Company shall promptly (and in any event within five Business Days) deliver to the Holders (or in the case of an occurrence of any event described in clause (v) of this Section 2(j), to any such Holder) and the Trustee notice thereof (the "*Shelf Notice*") and shall as promptly as possible thereafter file an Initial Shelf Registration pursuant to Section 3.

3. ***Shelf Registration***

If a Shelf Notice is delivered pursuant to Section 2(j), then this Section 3 shall apply to all Registrable Notes. Otherwise, upon consummation of the Exchange Offer in accordance with Section 2, the provisions of Section 3 shall apply solely with respect to (i) Notes held by any Holder thereof not permitted to participate in the Exchange Offer, (ii) Notes held by any broker-dealer that acquired such Notes directly from the Company or any of its affiliates and (iii) Exchange Notes that are not freely tradeable as contemplated by Section 2(j)(v) hereof, provided in each case that the relevant Holder has duly notified the Company within six months of the Exchange Offer as required by Section 2(j)(v).

(a) *Initial Shelf Registration*. The Company shall (and shall cause each Subsidiary Guarantor to), as promptly as practicable, file with the SEC a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes (the "*Initial Shelf Registration*"). If the Company (and any Subsidiary Guarantor) has not yet filed an Exchange Registration Statement, the Company shall (and shall cause each Subsidiary

Guarantor to) file with the SEC the Initial Shelf Registration on or prior to the Filing Date and shall use its commercially reasonable efforts to cause such Initial Shelf Registration to be declared effective under the Securities Act on or prior to the Effectiveness Date. Otherwise, the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to file with the SEC the Initial Shelf Registration within 30 days of the delivery of the Shelf Notice and shall use its commercially reasonable efforts to cause such Shelf Registration to be declared effective under the Securities Act as promptly as practicable thereafter (but in no event more than 90 days after delivery of the Shelf Notice). The Initial Shelf Registration shall be on Form S-1 or another appropriate form permitting registration of such Registrable Notes for resale by Holders in the manner or manners reasonably designated by them (including, without limitation, one or more underwritten offerings). The Company and Subsidiary Guarantors shall not permit any securities other than the Registrable Notes to be included in any Shelf Registration. The Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to keep the Initial Shelf Registration continuously effective under the Securities Act until the date which is two years from the Closing Date (subject to extension pursuant to the last paragraph of Section 6(w) (the "*Effectiveness Period*"), or such shorter period ending when (i) all Registrable Notes covered by the Initial Shelf Registration have been sold in the manner set forth and as contemplated in the Initial Shelf Registration (ii) a Subsequent Shelf Registration covering all of the Registrable Notes covered by and not sold under the Initial Shelf Registration or an earlier Subsequent Shelf Registration has been declared effective under the Securities Act or (iii) there cease to be any outstanding Registrable Notes.

(b) *Subsequent Shelf Registrations*. If the Initial Shelf Registration or any Subsequent Shelf Registration (as defined below) ceases to be effective for any reason at any time during the Effectiveness Period (other than because of the sale of all of the securities registered thereunder), the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within 30 days of such cessation of effectiveness amend such Shelf Registration in a manner to obtain the withdrawal of the order suspending the effectiveness thereof, or file (and cause each Subsidiary Guarantor to file) an additional "shelf" Registration Statement pursuant to Rule 415 covering all of the Registrable Notes (a "*Subsequent Shelf Registration*"). If a Subsequent Shelf Registration is filed, the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to cause the Subsequent Shelf Registration to be declared effective as soon as practicable after such filing and to keep such Subsequent Shelf Registration continuously effective for a period equal to the number of days in the Effectiveness Period less the aggregate number of days during which the Initial Shelf Registration or any Subsequent Shelf Registration was previously continuously effective. As used herein the term "Shelf Registration" means the Initial Shelf Registration and any Subsequent Shelf Registrations.

(c) *Supplements and Amendments.* The Company shall promptly supplement and amend any Shelf Registration if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration, if required by the Securities Act, or if reasonably requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Shelf Registration or by any underwriter of such Registrable Notes.

(d) *Provision of Information.* No Holder of Registrable Notes shall be entitled to include any of its Registrable Notes in any Shelf Registration pursuant to this Agreement unless such Holder furnishes to the Company and the Trustee in writing, within 20 days after receipt of a written request therefor, such information as the Company and the Trustee after conferring with

counsel with regard to information relating to Holders that would be required by the SEC to be included in such Shelf Registration or Prospectus included therein, may reasonably request for inclusion in any Shelf Registration or Prospectus included therein, and no such Holder shall be entitled to Additional Interest pursuant to Section 4 hereof unless and until such Holder shall have provided such information.

4. ***Additional Interest***

(a) The Company and each Subsidiary Guarantor acknowledges and agrees that the Holders of Registrable Notes will suffer damages if the Company or any Subsidiary Guarantor fails to fulfill its material obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Company and the Subsidiary Guarantors agree to pay additional cash interest on the Notes ("*Additional Interest*") under the circumstances and to the extent set forth below (each of which shall be given independent effect):

(i) if neither the Exchange Registration Statement nor the Initial Shelf Registration has been filed on or prior to the applicable Filing Date, Additional Interest shall accrue on the Notes over and above any stated interest at a rate of 0.25% per annum of the principal amount of such Notes for the first 90 days immediately following the applicable Filing Date, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(ii) if neither the Exchange Registration Statement nor the Initial Shelf Registration is declared effective on or prior to the applicable Effectiveness Date, Additional Interest shall accrue on the Notes over and above any stated interest at a rate of 0.25% per annum of the principal amount of such Notes for the first 90 days immediately following the applicable Effectiveness Date, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(iii) if (A) the Company (and any Subsidiary Guarantor) has not exchanged Exchange Notes for all Notes validly tendered in accordance with the terms of the Exchange Offer on or prior to the 30 Business Days after the Effectiveness Date, (B) the Exchange Registration Statement ceases to be effective at any time prior to the time that the Exchange Offer is consummated, (C) if applicable, a Shelf Registration has been declared effective and such Shelf Registration ceases to be effective at any time prior to the second anniversary of its effective date (other than such time as all Notes have been disposed of thereunder) and is not declared effective again within 30 days, or (D) pending the announcement of a material corporate transaction, event, occurrence or other item the Company issues a written notice pursuant to Section 6(e)(v) or (vi) that a Shelf Registration Statement or Exchange Registration Statement is unusable and the aggregate number of days in any 365-day period for which all such notices issued or required to be issued, have been, or were required to be, in effect exceeds 90 days in the aggregate or 30 days consecutively, in the case of a Shelf Registration statement, or 15 days in the aggregate in the case of an Exchange Registration Statement, then Additional Interest shall accrue on the Notes, over and above any stated interest, at a rate of 0.25% per annum of the principal amount of such Notes commencing on (w) the 31st Business Day after the Effectiveness Date, in the case of (A) above, or (x) the date the Exchange Registration Statement ceases to be effective without being declared effective again within 30 days, in the case of clause (B) above, or (y) the day such Shelf Registration ceases to be effective in the case of (C) above, or (z) the day the Exchange Registration Statement or Shelf Registration ceases to be usable in case of clause (D) above, such Additional Interest rate increasing

by an additional 0.25% per annum at the beginning of each such subsequent 90-day period;

provided, however, that the maximum Additional Interest rate on the Notes may not exceed at any one time in the aggregate 1.00% per annum; and *provided further*, that (1) upon the filing of the Exchange Registration Statement or Initial Shelf Registration (in the case of (i) above), (2) upon the effectiveness of the Exchange Registration Statement or Initial Shelf Registration (in the case of (ii) above), or (3) upon the exchange of Exchange Notes for all Notes tendered (in the case of (iii)(A) above), or upon the effectiveness of the Exchange Registration Statement that had ceased to remain effective (in the case of clause (iii)(B) above), or upon the effectiveness of a Shelf Registration which had ceased to remain effective (in the case of (iii)(C) above), Additional Interest on the Notes as a result of such clause (or the relevant subclause thereof) or upon the usability of such Registration Statement or Exchange Registration Statement (in the case of clause (iii)(D) above), as the case may be, shall cease to accrue.

(b) The Company shall notify the Trustee within 3 Business Days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "*Event Date*"). Any amounts of Additional Interest due pursuant to clause (a)(i), (a)(ii) or (a)(iii) of this Section 4 will be payable in cash, on the dates and in the manner provided in the Indenture and whether or not any cash interest would then be payable on such date, commencing with the first such semi-annual date occurring after any such Additional Interest commences to accrue. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest rate by the principal amount of the Notes, multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed), and the denominator of which is 360.

5. ***Hold-Back Agreements***

The Company agrees that it will not effect any public or private sale or distribution (including a sale pursuant to Regulation D under the Securities Act) of any securities the same as or similar to those covered by a Registration Statement filed pursuant to Section 2 or 3 hereof (other than Additional Notes (as defined in the Indenture) issued under the Indenture), or any securities convertible into or exchangeable or exercisable for such securities, during the 10 days prior to, and during the 90-day period beginning on, the effective date of any Registration Statement filed pursuant to Sections 2 and 3 hereof unless the Holders of a majority in the aggregate principal amount of the Registrable Notes to be included in such Registration Statement consent, if the managing underwriter thereof so requests in writing.

6. ***Registration Procedures***

In connection with the filing of any Registration Statement pursuant to Sections 2 or 3 hereof, the Company shall (and shall cause each Subsidiary Guarantor to) effect such registrations to permit the sale of such securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Company hereunder, the Company shall (and shall cause each Subsidiary Guarantor to):

(a) Prepare and file with the SEC as soon as practicable after the date hereof but in any event on or prior to the Filing Date, the Exchange Registration Statement or if the Exchange Registration Statement is not filed because of the circumstances contemplated by Section 2(j), a Shelf Registration as prescribed by Section 3, and use its commercially reasonable efforts to cause each such Registration Statement to be declared effective and remain effective as

provided herein; *provided* that, if (1) a Shelf Registration is filed pursuant to Section 3 or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, before filing any Registration Statement or Prospectus or any amendments or supplements thereto the Company shall (and shall cause each Subsidiary Guarantor to), if requested, furnish to and afford the Holders of the Registrable Notes to be registered pursuant to such Shelf Registration Statement, each Participating Broker-Dealer, the managing underwriters, if any, and each of their respective counsel, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case at least 5 Business Days prior to such filing). The Company and each Subsidiary Guarantor shall not file any such Registration Statement or Prospectus or any amendments or supplements thereto in respect of which the Holders must provide information for the inclusion therein without the Holders being afforded an opportunity to review such documentation if the holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, the managing underwriters, if any, or any of their respective counsel shall reasonably object in writing on a timely basis. A Holder shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading or fails to comply with the applicable requirements of the Securities Act.

(b) Provide an indenture trustee for the Registrable Notes, the Exchange Notes or the Private Exchange Notes, as the case may be, and cause the Indenture (or other indenture relating to the Registrable Notes) to be qualified under the TIA not later than the effective date of the first Registration Statement; and in connection therewith, to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its commercially reasonable efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable such indenture to be so qualified in a timely manner.

(c) Prepare and file with the SEC such pre-effective amendments and post-effective amendments to each Shelf Registration or Exchange Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to them with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus. The Company and each Subsidiary Guarantor shall not, during the Applicable Period, voluntarily take any action that would result in selling Holders of the Registrable Notes covered by a Registration Statement or Participating Broker-Dealers seeking to sell Exchange Notes not being able to sell such Registrable Notes or such Exchange Notes during that period, unless such action is required by applicable law, rule or regulation or permitted by this Agreement.

(d) Furnish to such selling Holders and Participating Broker-Dealers who so request in writing (i) upon the Company's receipt, a copy of the order of the SEC declaring such Registration Statement and any post effective amendment thereto effective, (ii) such reasonable number of copies of such Registration Statement and of each amendment and supplement thereto (in each case including any documents incorporated therein by reference and all exhibits), (iii) such reasonable number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and each amendment and supplement thereto, and such reasonable number of copies of the final Prospectus as filed by the Company and each Subsidiary Guarantor pursuant to Rule 424(b) under the Securities Act, in conformity with the requirements of the Securities Act and each amendment and supplement thereto, and (iv) such other documents (including any amendments required to be filed pursuant to clause (c) of this Section), as any such Person may reasonably request in writing. The Company and the Subsidiary Guarantors hereby consent to the use of the Prospectus by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers, if any, in connection with the offering and sale of the Registrable Notes covered by, or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to, such Prospectus and any amendment or supplement thereto.

(e) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, the Company shall notify in writing the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, the managing underwriters, if any, and each of their respective counsel promptly (but in any event within 2 Business Days) (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective (including in such notice a written statement that any Holder may, upon request, obtain, without charge, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any Prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a Prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Notes the representations and warranties of the Company and any Subsidiary Guarantor contained in any agreement (including any underwriting agreement) contemplated by Section 6(n) hereof cease to be true and correct, (iv) of the receipt by the Company or any Subsidiary Guarantor of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition of any information becoming known that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in, or amendments or supplements to, such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement and the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (vi) of any reasonable determination by the Company or any Subsidiary Guarantor

that a post-effective amendment to a Registration Statement would be appropriate and (vii) of any request by the SEC for amendments to the Registration Statement or supplements to the Prospectus or for additional information relating thereto.

(f) Use its commercially reasonable efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer, for sale in any jurisdiction, and, if any such order is issued, to use its commercially reasonable efforts to obtain the withdrawal of any such order at the earliest possible date.

(g) If (A) a Shelf Registration is filed pursuant to Section 3, (B) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period or (C) reasonably requested in writing by the managing underwriters, if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold in connection with an underwritten offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information or revisions to information therein relating to such underwriters or selling Holders as the managing underwriters, if any, or such Holders or any of their respective counsel reasonably request in writing to be included or made therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplements or post-effective amendment.

(h) Prior to any public offering of Registrable Notes or any delivery of a Prospectus contained in the Exchange Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its commercially reasonable efforts to register or qualify, and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes or Exchange Notes, as the case may be, for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer or any managing underwriter or underwriters, if any, reasonably request in writing; *provided* that where Exchange Notes held by Participating Broker-Dealers or Registrable Notes are offered other than through an underwritten offering, the Company and each Subsidiary Guarantor agree to cause its counsel to perform Blue Sky investigations and file any registrations and qualifications required to be filed pursuant to this Section 6(h), keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Exchange Notes held by Participating Broker-Dealers or the Registrable Notes covered by the applicable Registration Statement; *provided* that neither the Company nor any Subsidiary Guarantor shall be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or (C) subject itself to taxation in any such jurisdiction where it is not then so subject.

(i) If (A) a Shelf Registration is filed pursuant to Section 3 or (B) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is requested to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, cooperate with the selling Holders of Registrable Notes and the

managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company, and enable such Registrable Notes to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or Holders may reasonably request.

(j) Use its commercially reasonable efforts to cause the Registrable Notes covered by any Registration Statement to be registered with or approved by such governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter, if any, to consummate the disposition of such Registrable Notes, except as may be required solely as a consequence of the nature of such selling Holder's business, in which case the Company shall (and shall cause each Subsidiary Guarantor to) cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals; *provided* that neither the Company nor any existing Subsidiary Guarantor shall be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any jurisdiction where it is not then so subject or (C) subject itself to taxation in any such jurisdiction where it is not then so subject.

(k) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by paragraph 6(e)(v) or 6(e)(vi) hereof, as promptly as practicable, prepare and file with the SEC, at the expense of the Company and the Subsidiary Guarantors , a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, if SEC review is required, use its commercially reasonable efforts to cause such post-effective amendment to be declared effective as soon as possible.

(l) Use its commercially reasonable efforts to cause the Registrable Notes covered by a Registration Statement to be rated with such appropriate rating agencies, if so requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or the managing underwriter or underwriters, if any.

(m) Prior to the initial issuance of the Exchange Notes, (i) provide the Trustee with one or more certificates for the Registrable Notes in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Exchange Notes.

(n) If a Shelf Registration is filed pursuant to Section 3, enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances) and take all such other actions in connection therewith (including those reasonably requested in writing by the managing underwriters, if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold) in order to expedite or facilitate the registration or the disposition of such Registrable Notes, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten

Registration, (i) make such representations and warranties to the Holders and the underwriters, if any, with respect to the business of the Company and its subsidiaries as then conducted, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances, and confirm the same if and when reasonably required; (ii) obtain an opinion of counsel to the Company and the Subsidiary Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and the Holders of a majority in aggregate principal amount of the Registrable Notes being sold), addressed to each selling Holder and each of the underwriters, if any, covering the matters customarily covered in opinions of counsel to the Company and the Subsidiary Guarantors requested in underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances; (iii) obtain "cold comfort" letters and updates thereof (which letters and updates (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters) from the independent certified public accountants of the Company and the Subsidiary Guarantors (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings of debt securities similar to the Notes, as may be appropriate in the circumstances, and such other matters as reasonably requested in writing by the underwriters; and (iv) deliver such documents and certificates as may be reasonably requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes being sold and the managing underwriters, if any, to evidence the continued validity of the representations and warranties of the Company and its subsidiaries made pursuant to clause (i) above and to evidence compliance with any conditions contained in the underwriting agreement or other similar agreement entered into by the Company or any Subsidiary Guarantor.

(o) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold, or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Notes, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "*Inspectors*"), at the offices where normally kept, during reasonable business hours, all financial and other records and pertinent corporate documents of the Company and its subsidiaries (collectively, the "*Records*") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information reasonably requested in writing by any such Inspector in connection with such Registration Statement. Each Inspector shall agree in writing that it will keep the Records confidential and not disclose any of the Records unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) the information in such Records is public or has been made generally available to the public other than as a result of a disclosure or failure to safeguard by such Inspector or (iv) disclosure of such information is, in the

reasonable written opinion of counsel for any Inspector, necessary or advisable in connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving such Inspector and arising out of, based upon, related to, or involving this Agreement, or any transaction contemplated hereby or arising hereunder. Each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to agree that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Inspector, each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to further agree that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and, to the extent practicable, use its commercially reasonable efforts to allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential at its expense.

(p) Comply with all applicable rules and regulations of the SEC and make generally available to the security holders of the Company with regard to any Applicable Registration Statement earning statements satisfying the provisions of section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(q) Upon consummation of an Exchange Offer or Private Exchange, obtain an opinion of counsel to the Company and the Subsidiary Guarantors (in form, scope and substance reasonably satisfactory to Jefferies), addressed to the Trustee for the benefit of all Holders participating in the Exchange Offer or Private Exchange, as the case may be, to the effect that (i) the Company and the Subsidiary Guarantors have duly authorized, executed and delivered the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture, (ii) the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture constitute legal, valid and binding obligations of the Company and the Subsidiary Guarantors, enforceable against the Company and the Subsidiary Guarantors in accordance with their respective terms, except as such enforcement may be subject to customary United States and foreign exceptions and (iii) all obligations of the Company and the Subsidiary Guarantors under the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture are secured by Liens (as defined in the Indenture) on the assets securing the obligations of the Company and the Subsidiary Guarantors under the Notes, Indenture and Collateral Agreements to the extent and as discussed in the Registration Statement.

(r) If the Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by the Holders to the Company and the Subsidiary Guarantors (or to such other Person as directed by the Company and the Subsidiary Guarantors) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, the Company and the Subsidiary Guarantors shall mark, or caused to be marked, on such Registrable Notes that the Exchange Notes or the Private Exchange Notes, as the case may be, are being issued as substitute evidence of the indebtedness originally evidenced by the Registrable Notes; *provided* that in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(s) Cooperate with each seller of Registrable Notes covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable Notes and their respective counsel in connection with any filings required to be made with FINRA.

(t) Use its commercially reasonable efforts to cause all Securities covered by a Registration Statement to be listed on each securities exchange, if any, on which similar debt securities issued by the Company are then listed.

(u) Use its commercially reasonable efforts to take all other steps reasonably necessary to effect the registration of the Registrable Notes covered by a Registration Statement contemplated hereby.

(v) The Company may require each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected to furnish to the Company such information regarding such seller or Participating Broker-Dealer and the distribution of such Registrable Notes as the Company may, from time to time, reasonably request in writing. The Company may exclude from such registration the Registrable Notes of any seller who fails to furnish such information within a reasonable time (which time in no event shall exceed 30 days, subject to Section 3(d) hereof) after receiving such request. Each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished by such seller not materially misleading.

(w) Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes to be sold by such Participating Broker-Dealer, as the case may be, that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6(e)(ii), 6(e)(iv), 6(e)(v), or 6(e)(vi), such Holder will forthwith discontinue disposition of such Registrable Notes covered by a Registration Statement and such Participating Broker-Dealer will forthwith discontinue disposition of such Exchange Notes pursuant to any Prospectus and, in each case, forthwith discontinue dissemination of such Prospectus until such Holder's or Participating Broker-Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(k), or until it is advised in writing (the "*Advice*") by the Company and the Subsidiary Guarantors that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto and, if so directed by the Company and the Subsidiary Guarantors, such Holder or Participating Broker-Dealer, as the case may be, will deliver to the Company all copies, other than permanent file copies, then in such Holder's or Participating Broker-Dealer's possession, of the Prospectus covering such Registrable Notes current at the time of the receipt of such notice. In the event the Company and the Subsidiary Guarantors shall give any such notice, the Applicable Period shall be extended by the number of days during such periods from and including the date of the giving of such notice to and including the date when each Participating Broker-Dealer shall have received (x) the copies of the supplemented or amended Prospectus contemplated by Section 6(k) or (y) the Advice.

7. ***Registration Expenses***

(a) All fees and expenses incident to the performance of or compliance with this Agreement by the Company and the Subsidiary Guarantors shall be borne by the Company and the Subsidiary Guarantors, whether or not the Exchange Offer or a Shelf Registration is filed or becomes effective, including, without limitation, (i) all registration and filing fees, including, without limitation, (A) fees with respect to filings required to be made with FINRA in connection with any underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws as provided in Section 6(h) hereof (including, without limitation, reasonable fees and disbursements of counsel in connection with Blue Sky qualifications of the

Registrable Notes or Exchange Notes and determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the Holders are located, in the case of the Exchange Notes, or (y) as provided in Section 6(h), in the case of Registrable Notes or Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing Prospectuses if the printing of Prospectuses is requested by the managing underwriter or underwriters, if any, or by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or by any Participating Broker-Dealer during the Applicable Period, as the case may be, (iii) messenger, telephone and delivery expenses incurred in connection with the performance of their obligations hereunder, (iv) fees and disbursements of counsel for the Company, the Subsidiary Guarantors and, subject to 7(b), the Holders, (v) fees and disbursements of all independent certified public accountants referred to in Section 6 (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) rating agency fees and the fees and expenses incurred in connection with the listing of the Securities to be registered on any securities exchange, (vii) Securities Act liability insurance, if the Company and the Subsidiary Guarantors desire such insurance, (viii) fees and expenses of all other Persons retained by the Company and the Subsidiary Guarantors, (ix) fees and expenses of any "qualified independent underwriter" or other independent appraiser participating in an offering pursuant to Section 3 of Schedule E to the By-laws of FINRA, but only where the need for such a "qualified independent underwriter" arises due to a relationship with the Company and the Subsidiary Guarantors, (x) internal expenses of the Company and the Subsidiary Guarantors (including, without limitation, all salaries and expenses of officers and employees of the Company or the Subsidiary Guarantors performing legal or accounting duties), (xi) the expense of any annual audit, (xii) the fees and expenses of the Trustee and the Exchange Agent and (xiii) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, securities sales agreements, indentures and any other documents necessary in order to comply with this Agreement.

(b) The Company and the Subsidiary Guarantors shall reimburse the Holders for the reasonable fees and disbursements of not more than one counsel chosen by the Holders of a majority in aggregate principal amount of the Registrable Notes to be included in any Registration Statement. The Company and the Subsidiary Guarantors shall pay all documentary, stamp, transfer or other transactional taxes attributable to the issuance or delivery of the Exchange Notes or Private Exchange Notes in exchange for the Notes; *provided* that the Company shall not be required to pay taxes payable in respect of any transfer involved in the issuance or delivery of any Exchange Note or Private Exchange Note in a name other than that of the Holder of the Note in respect of which such Exchange Note or Private Exchange Note is being issued. The Company and the Subsidiary Guarantors shall reimburse the Holders for fees and expenses (including reasonable fees and expenses of counsel to the Holders) relating to any enforcement of any rights of the Holders under this Agreement.

8. ***Indemnification***

(a) *Indemnification by the Company and the Subsidiary Guarantors*. The Company and the Subsidiary Guarantors jointly and severally agree to indemnify and hold harmless each Holder of Registrable Notes, Exchange Notes or Private Exchange Notes and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, each Person, if any, who controls each such Holder (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) and the officers, directors and partners of each such Holder, Participating Broker-Dealer and controlling person, to the fullest extent lawful, from

and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and reasonable attorneys' fees as provided in this Section 8) and expenses (including, without limitation, reasonable costs and expenses incurred in connection with investigating, preparing, pursuing or defending against any of the foregoing) (collectively, "*Losses*"), as incurred, directly or indirectly caused by, related to, based upon, arising out of or in connection with any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or form of prospectus, or in any amendment or supplement thereto, or in any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are solely based upon information relating to such Holder or Participating Broker-Dealer and furnished in writing to the Company and the Subsidiary Guarantors (or reviewed and approved in writing) by such Holder or Participating Broker-Dealer or their counsel expressly for use therein; *provided*, *however*, that the Company and the Subsidiary Guarantors will not be liable to any Indemnified Party (as defined below) under this Section 8 to the extent Losses were solely caused by an untrue statement or omission or alleged untrue statement or omission that was contained or made in any preliminary prospectus and corrected in the Prospectus or any amendment or supplement thereto if (i) the Prospectus does not contain any other untrue statement or omission or alleged untrue statement or omission of a material fact that was the subject matter of the related proceeding, (ii) any such Losses resulted from an action, claim or suit by any Person who purchased Registrable Notes or Exchange Notes which are the subject thereof from such Indemnified Party and (iii) it is established in the related proceeding that such Indemnified Party failed to deliver or provide a copy of the Prospectus (as amended or supplemented) to such Person with or prior to the confirmation of the sale of such Registrable Notes or Exchange Notes sold to such Person if required by applicable law, unless such failure to deliver or provide a copy of the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 6 of this Agreement. The Company and the Subsidiary Guarantors also agree to indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers, directors, agents and employees and each Person who controls such Persons (within the meaning of Section 5 of the Securities Act or Section 20(a) of the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders or the Participating Broker-Dealer.

(b) *Indemnification by Holder*. In connection with any Registration Statement, Prospectus or form of prospectus, any amendment or supplement thereto, or any preliminary prospectus in which a Holder is participating, such Holder shall furnish to the Company and the Subsidiary Guarantors in writing such information as the Company and the Subsidiary Guarantors reasonably request for use in connection with any Registration Statement, Prospectus or form of prospectus, any amendment or supplement thereto, or any preliminary prospectus and shall indemnify and hold harmless the Company, the Subsidiary Guarantors, their respective directors and each Person, if any, who controls the Company and the Subsidiary Guarantors (within the meaning of Section 15 of the Securities Act and Section 20(a) of the Exchange Act), and the directors, officers and partners of such controlling persons, to the fullest extent lawful, from and against all Losses arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading to the extent, but only to the extent, that such losses are

finally judicially determined by a court of competent jurisdiction in a final, unappealable order to have resulted solely from an untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact contained in or omitted from any information so furnished in writing by such Holder to the Company and the Subsidiary Guarantors expressly for use therein. Notwithstanding the foregoing, in no event shall the liability of any selling Holder be greater in amount than such Holder's Maximum Contribution Amount (as defined below).

(c) *Conduct of Indemnification Proceedings*. If any proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "*Indemnified Party*"), such Indemnified Party shall promptly notify the party or parties from which such indemnity is sought (the "*Indemnifying Party*" or "*Indemnifying Parties*", as applicable) in writing; *provided*, that the failure to so notify the Indemnifying Parties shall not (i) relieve such Indemnifying Party from any obligation or liability unless and only to the extent it is materially prejudiced as a result thereof and (ii) will not, in any event, relieve the Indemnifying Party from any obligations to any Indemnified Party.

The Indemnifying Party shall have the right, exercisable by giving written notice to an Indemnified Party, within 20 Business Days after receipt of written notice from such Indemnified Party of such proceeding, to assume, at its expense, the defense of any such proceeding, *provided*, that an Indemnified Party shall have the right to employ separate counsel in any such proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless: (1) the Indemnifying Party has agreed to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such proceeding or shall have failed to employ counsel reasonably satisfactory to such Indemnified Party; or (3) the named parties to any such proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party or any of its affiliates or controlling persons, and such Indemnified Party shall have been advised by counsel that there may be one or more defenses available to such Indemnified Party that are in addition to, or in conflict with, those defenses available to the Indemnifying Party or such affiliate or controlling person (in which case, if such Indemnified Party notifies the Indemnifying Parties in writing that it elects to employ separate counsel at the expense of the Indemnifying Parties, the Indemnifying Parties shall not have the right to assume the defense and the reasonable fees and expenses of such counsel shall be at the expense of the Indemnifying Party; it being understood, however, that, the Indemnifying Party shall not, in connection with any one such proceeding or separate but substantially similar or related proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (together with appropriate local counsel) at any time for such Indemnified Party).

No Indemnifying Party shall be liable for any settlement of any such proceeding effected without its written consent, which shall not be unreasonably withheld, but if settled with its written consent, or if there be a final judgment for the plaintiff in any such proceeding, each Indemnifying Party jointly and severally agrees, subject to the exceptions and limitations set forth above, to indemnify and hold harmless each Indemnified Party from and against any and all Losses by reason of such settlement or judgment. The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement unless such judgment or settlement (i) includes as an unconditional term thereof the giving by the claimant or plaintiff to each Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all liability in respect of such proceeding for which such Indemnified Party would be entitled to indemnification hereunder (whether or not any Indemnified Party is a party thereto) and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(d) *Contribution*. If the indemnification provided for in this Section 8 is unavailable to an Indemnified Party or is insufficient to hold such Indemnified Party harmless for any Losses in respect of which this Section 8 would otherwise apply by its terms (other than by reason of exceptions provided in this Section 8), then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall have a joint and several obligation to contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such statement or omission. The amount paid or payable by an Indemnified Party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any proceeding, to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in Section 8(a) or 8(b) was available to such party.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8(d), a selling Holder shall not be required to contribute, in the aggregate, any amount in excess of such Holder's Maximum Contribution Amount. A selling Holder's "*Maximum Contribution Amount*" shall equal the excess of (i) the aggregate proceeds received by such Holder pursuant to the sale of such Registrable Notes or Exchange Notes over (ii) the aggregate amount of damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective principal amount of the Registrable Securities held by each Holder hereunder and not joint. The Company's and Subsidiary Guarantors' obligations to contribute pursuant to this Section 8(d) are joint and several.

The indemnity and contribution agreements contained in this Section 8 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

9. ***Rules 144 and 144A***

The Company covenants that it shall (a) file the reports required to be filed by it (if so required) under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the written request of any Holder of Registrable Notes, make publicly available other information necessary to permit sales pursuant to Rule 144 and 144A and (b) take such further action as any Holder may reasonably request in writing, all to the extent required from time to time to enable such Holder to sell Registrable Notes without registration under the Securities Act pursuant to the exemptions provided by Rule 144 and Rule 144A. Upon the request of any Holder, the Company shall deliver to such Holder a written statement as to whether it has complied with such information and requirements.

10. ***Underwritten Registrations of Registrable Notes***

If any of the Registrable Notes covered by any Shelf Registration is to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering; *provided*, *however*, that such investment banker or investment bankers and manager or managers must be reasonably acceptable to the Company.

No Holder of Registrable Notes may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

11. ***Miscellaneous***

(a) *Remedies*. In the event of a breach by either the Company or any of the Subsidiary Guarantors of any of their respective obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein, in the Indenture or, in the case of the Initial Purchasers, in the Purchase Agreement, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Subsidiary Guarantors agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by either the Company or any of the Subsidiary Guarantors of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, the Company shall (and shall cause each Subsidiary Guarantor to) waive the defense that a remedy at law would be adequate.

(b) *No Inconsistent Agreements*. The Company and each of the Subsidiary Guarantors have not entered, as of the date hereof, and the Company and each of the Subsidiary Guarantors shall not enter, after the date of this Agreement, into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Securities in this Agreement or otherwise conflicts with the provisions hereof. The Company and each of the Subsidiary Guarantors have not entered and will not enter into any agreement with respect to any of its securities that will grant to any Person piggy-back rights with respect to a Registration Statement.

(c) *Adjustments Affecting Registrable Notes*. The Company shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(d) *Amendments and Waivers*. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, otherwise than with the prior written consent of the Holders of not less than a majority in aggregate principal amount of the then outstanding Registrable Notes in circumstances that would adversely affect any Holders of Registrable Notes; *provided*, *however*, that Section 8 and this Section 11(d) may not be amended, modified or supplemented without the prior written consent of each Holder. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Notes whose securities are being tendered pursuant to the Exchange Offer or sold pursuant to a Notes Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by

Holders of at least a majority in aggregate principal amount of the Registrable Notes being tendered or being sold by such Holders pursuant to such Notes Registration Statement.

(e) *Notices*. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of Securities or to any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, set forth on the records of the registrar of the Notes, with a copy in like manner to Jefferies as follows:

Jefferies & Company, Inc.
520 Madison Avenue
New York, New York 10022
Attention: General Counsel

(ii) if to the Initial Purchasers, at the address specified in Section 11(e)(1);

(iii) if to the Company or any Subsidiary Guarantor, as follows:

Kratos Defense & Security Solutions, Inc.
4820 Eastgate Mall
San Diego, California 92121
Attention: Eric Demarco

with a copy to:

Morrison & Foerster LLP
12531 High Bluff Drive
San Diego, California 92130
Attention: Scott Stanton, Esq.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in the United States mail, postage prepaid, if mailed, one business day after being deposited in the United States mail, postage prepaid, if mailed; one business day after being timely delivered to a next-day air courier guaranteeing overnight delivery; and when receipt is acknowledged by the addressee, if telecopied.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee under the Indenture at the address specified in such Indenture.

(f) *Successors and Assigns*. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment, subsequent Holders of Securities.

(g) *Counterparts*. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) *Governing Law*. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. THE COMPANY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW

YORK OR ANY FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITS AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, JURISDICTION OF THE AFORESAID COURTS. THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TRIAL BY JURY AND ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY IRREVOCABLY CONSENTS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE COMPANY AT ITS SAID ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY HOLDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION.

(j) *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) *Securities Held by the Company or Its Affiliates*. Whenever the consent or approval of Holders of a specified percentage of Securities is required hereunder, Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(l) *Third Party Beneficiaries*. Holders and Participating Broker-Dealers are intended third party beneficiaries of this Agreement and this Agreement may be enforced by such Persons.

(m) *Entire Agreement*. This Agreement, together with the Purchase Agreement, the Indenture and the Collateral Agreements, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understanding, correspondence, conversations and memoranda between the Initial Purchasers on the one hand and the Company and the Subsidiary Guarantors on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

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

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

AI METRIX, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DEFENSE SYSTEMS, INCORPORATED

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DIGITAL FUSION SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DIGITAL FUSION, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DTI ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HAVERSTICK CONSULTING, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HAVERSTICK GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

HGS HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

JMA ASSOCIATES, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS COMMERCIAL SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS GOVERNMENT SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS MID-ATLANTIC, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS SOUTHEAST, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS SOUTHWEST, L.P.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

KRATOS TEXAS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

MADISON RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

POLEXIS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

REALITY BASED IT SERVICES, LTD.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

ROCKET SUPPORT SERVICES, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW I, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW II, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SHADOW III, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SUMMIT RESEARCH CORPORATION

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

SYS

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

WFI NMC CORP.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

CHARLESTON MARINE CONTAINERS INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DALLASTOWN REALTY I, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

DALLASTOWN REALTY II, LLC

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER HOLDINGS, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER SYSTEMS GROUP, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

GICHNER SYSTEMS INTERNATIONAL, INC.

By: /s/ Deanna H. Lund

Name: Deanna H. Lund
Title: Executive Vice President & Chief Financial Officer

ACCEPTED AND AGREED TO:

JEFFERIES & COMPANY, INC.

By: /s/ Kevin Lockhart

Name: Kevin Lockhart
Title: Managing Director

B. RILEY & CO., LLC

By: /s/ Bryant Riley

Name: Bryant Riley
Title: Chairman

IMPERIAL CAPITAL, LLC

By: /s/ Mark Martis

Name: Mark Martis
Title: Chief Operating Officer

KEYBANC CAPITAL MARKETS INC.

By: /s/ Gary E. Andrews

Name: Gary E. Andrews
Title: Managing Director

NOBLE INTERNATIONAL INVESTMENTS, INC.

By: /s/ Nico P. Pronk

Name: Nico P. Pronk
Title: Managing Director

INITIAL PURCHASERS

Jefferies & Company, Inc

B. Riley & Co., LLC

Imperial Capital, LLC

KeyBanc Capital Markets Inc.

Noble International Investments, Inc.

QuickLinks

Exhibit 10.5

CREDIT AND SECURITY AGREEMENT

among

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.
as Borrower

THE LENDERS NAMED HEREIN
as Lenders

and

KEYBANK NATIONAL ASSOCIATION
as Lead Arranger, Sole Book Runner and Administrative Agent

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dated as of
May 19, 2010

TABLE OF CONTENTS

This CREDIT AND SECURITY AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of the 19th day of May, 2010 among:

(a) KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation ("Borrower");

(b) the lenders listed on *Schedule 1* hereto and each other Eligible Transferee, as hereinafter defined, that from time to time becomes a party hereto pursuant to Section 11.10 hereof (collectively, the "Lenders" and, individually, each a "Lender"); and

(c) KEYBANK NATIONAL ASSOCIATION, a national banking association, as the lead arranger, sole book runner and administrative agent for the Lenders under this Agreement ("Agent").

WITNESSETH:

WHEREAS, Borrower, Agent and the Lenders desire to contract for the establishment of credits in the aggregate principal amounts hereinafter set forth, to be made available to Borrower upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1. *Definitions.* As used in this Agreement, the following terms shall have the meanings set forth below:

"Account" means an account, as that term is defined in the U.C.C.

"Account Debtor" means an account debtor, as that term is defined in the U.C.C., or any other Person obligated to pay all or any part of an Account in any manner and includes (without limitation) any Guarantor thereof.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person (other than a Company), or any business or division of any Person (other than a Company), (b) the acquisition of in excess of fifty percent (50%) of the outstanding capital stock (or other equity interest) of any Person (other than a Company), or (c) the acquisition of another Person (other than a Company) by a merger, amalgamation or consolidation or any other combination with such Person.

"Additional Commitments" means that term as defined in Section 2.9(b) hereof.

"Additional Lender" means an Eligible Transferee that shall become a Lender during the Commitment Increase Period pursuant to Section 2.9(b) hereof.

"Additional Lender Assumption Agreement" means an additional lender assumption agreement, in form and substance satisfactory to Agent, wherein an Additional Lender shall become a Lender.

"Additional Lender Assumption Effective Date" means that term as defined in Section 2.9(b) hereof.

"Advance Record" means that term as defined in Section 2.14(a) hereof.

"Advantage" means any payment (whether made voluntarily or involuntarily, by offset of any deposit or other indebtedness or otherwise) received by any Lender in respect of the Obligations, if such payment results in that Lender having less than its pro rata share (based upon its Commitment Percentage) of the Obligations then outstanding.

"Affected Lender" means a Defaulting Lender, an Insolvent Lender or a Downgraded Lender.

"Affiliate" means any Person, directly or indirectly, controlling, controlled by or under common control with a Company and "control" (including the correlative meanings, the terms "controlling",

"controlled by" and "under common control with") means the power, directly or indirectly, to direct or cause the direction of the management and policies of a Company, whether through the ownership of voting securities, by contract or otherwise.

"Agent" means that term as defined in the first paragraph hereof.

"Agent Fee Letter" means the Agent Fee Letter between Borrower and Agent, dated as of the Closing Date, as the same may from time to time be amended, restated or otherwise modified.

"Agreement" means that term as defined in the first paragraph hereof.

"Applicable Commitment Fee Rate" means:

(a) for the period from the Closing Date through May 31, 2010, one hundred (100.00) basis points; and

(b) commencing June 1, 2010, the Average Monthly Revolving Credit Availability for the most recently completed calendar month shall be used to establish the number of basis points that will go into effect on June 1, 2010 and thereafter, as provided below:

Average Monthly Revolving Credit Availability	Applicable Commitment Fee Rate
Less than or equal to $15,000,000	75.00 basis points
Greater than $15,000,000	100.00 basis points

After June 1, 2010, changes to the Applicable Commitment Fee Rate shall be effective on the first day of each calendar month and shall be based on the Average Monthly Revolving Credit Availability for the most recently completed calendar month. Anything in this definition to the contrary notwithstanding, if the Revolving Amount is reduced for any reason, the Dollar amounts set forth in the foregoing pricing matrix shall also be correspondingly reduced by the amount of any such reduction in the Revolving Amount. The above pricing matrix does not modify or waive, in any respect, the rights of Agent and the Lenders to charge the Default Rate, or the rights and remedies of Agent and the Lenders pursuant to Articles VIII and IX hereof.

"Applicable Margin" means:

(a) for the period from the Closing Date through May 31, 2010, three hundred twenty-five (325.00) basis points for Eurodollar Loans and one hundred twenty-five (125.00) basis points for Base Rate Loans; and

(b) commencing June 1, 2010, the Average Monthly Revolving Credit Availability for the most recently completed calendar month shall be used to establish the number of basis points that will go into effect on June 1, 2010 and thereafter, as provided below:

Average Monthly Revolving Credit Availability	Applicable Basis Points for Eurodollar Loans	Applicable Basis Points for Base Rate Loans
Less than $5,000,000	400.00	200.00
Greater than or equal to $5,000,000 and less than or equal to $15,000,000	350.00	150.00
Greater than $15,000,000	325.00	125.00

After June 1, 2010, changes to the Applicable Margin shall be effective on the first day of each calendar month and shall be based on the Average Monthly Revolving Credit Availability for the most recently completed calendar month. Anything in this definition to the contrary notwithstanding, if the Revolving Amount is reduced for any reason, the Dollar amounts set forth in the foregoing pricing matrix shall also be correspondingly reduced by the amount of any such reduction in the Revolving

Amount. The above pricing matrix does not modify or waive, in any respect, the rights of Agent and the Lenders to charge the Default Rate, or the rights and remedies of Agent and the Lenders pursuant to Articles VIII and IX hereof.

"Appraised Inventory NOLV" means the appraised net orderly liquidation value of the Eligible Inventory, as set forth in the most recent inventory appraisal report completed on behalf of, and reasonably acceptable to, Agent.

"Assigned Government Contract" means all Government Contracts that (a) are for an amount in excess of Five Hundred Thousand Dollars ($500,000), or (b) pursuant to the terms of Section 5.22 hereof, are required to be subject to an Instrument of Assignment and Notice of Assignment of Claims.

"Assignment Agreement" means an Assignment and Acceptance Agreement in the form of the attached *Exhibit F*.

"Authorized Officer" means a Financial Officer or other individual authorized by a Financial Officer in writing (with a copy to Agent) to handle certain administrative matters in connection with this Agreement.

"Available Liquidity" means, at any date, the sum of (a) the aggregate unrestricted and unencumbered cash on hand of Borrower and the other Borrowing Base Companies held at financial institutions located in the United States that are Lenders, plus (b) the Revolving Credit Availability.

"Average Monthly Revolving Credit Availability" means, for any calendar month, the average daily Revolving Credit Availability in effect during such calendar month.

"Bailee's Waiver" means a bailee's waiver, in form and substance satisfactory to Agent, delivered by a Credit Party in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

"Bank Product Agreements" means those certain cash management services and other agreements entered into from time to time between a Company and Agent or a Lender (or an affiliate of a Lender) in connection with any of the Bank Products.

"Bank Product Obligations" means all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by a Company to Agent or any Lender (or an affiliate of a Lender) pursuant to or evidenced by the Bank Product Agreements.

"Bank Products" means a service or facility extended to a Company by Agent or any Lender (or an affiliate of a Lender) for (a) credit cards and credit card processing services (b) debit and purchase cards, (c) ACH transactions, and (d) cash management, including controlled disbursement, accounts or services.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy", as now or hereafter in effect, or any successor thereto, as hereafter amended.

"Base Rate" means a rate per annum equal to the highest of (a) the Prime Rate, (b) one-half of one percent (.50%) in excess of the Federal Funds Effective Rate, and (c) one hundred (100.00) basis points in excess of the London Interbank Offered Rate for loans in Eurodollars with an Interest Period of one month. Any change in the Base Rate shall be effective immediately from and after such change in the Base Rate.

"Base Rate Loan" means a Revolving Loan described in Section 2.2(a) hereof, that shall be denominated in Dollars and on which Borrower shall pay interest at a rate based on the Derived Base Rate.

"Borrower" means that term as defined in the first paragraph hereof.

"Borrowing Base" means an amount equal to the total of the following:

(a) up to eighty-five percent (85%) of the aggregate amount due and owing on Eligible Accounts Receivable of the Borrowing Base Companies; plus

(b) the lesser of:

(i) the lesser of (A) up to sixty percent (60%) of the aggregate of the cost or market value (whichever is lower), as determined on an average cost method basis in accordance with GAAP, of the Eligible Inventory of the Borrowing Base Companies, or (B) up to eighty-five percent (85%) of the Appraised Inventory NOLV; or

(ii) Ten Million Dollars ($10,000,000); minus

(c) Reserves, if any;

provided that, anything herein to the contrary notwithstanding, Agent shall at all times have the right to modify or reduce such percentages or dollar amount caps from time to time, in its reasonable credit judgment.

"Borrowing Base Certificate" means a Borrowing Base Certificate, in the form of the attached *Exhibit C*.

"Borrowing Base Company" means each Company listed on *Schedule 3* hereto, and each additional Company that shall become a Borrowing Base Company pursuant to Section 2.13 hereof.

"Business Day" means any day that is not a Saturday, a Sunday or another day of the year on which national banks are authorized or required to close in Cleveland, Ohio, and, in addition, if the applicable Business Day relates to a Eurodollar Loan, is a day of the year on which dealings in deposits are carried on in the London interbank Eurodollar market.

"Capital Distribution" means a payment made, liability incurred or other consideration given by a Company to any Person that is not a Company, (a) for the purchase, acquisition, redemption, repurchase, payment or retirement of any capital stock or other equity interest of such Company, or (b) as a dividend, return of capital or other distribution (other than any stock dividend, stock split or other equity distribution payable only in capital stock or other equity of such Company) in respect of such Company's capital stock or other equity interest.

"Capitalized Lease Obligations" means obligations of the Companies for the payment of rent for any real or personal property under leases or agreements to lease that, in accordance with GAAP, have been or should be capitalized on the books of the lessee and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalents" means:

(a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof and backed by the full faith and credit of the United States of America, in each case maturing within one year from the date of acquisition thereof;

(b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard and Poor's or Moody's;

(c) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a short-term commercial paper rating of at least A-1 from Standard and Poor's or at least P-1 from Moody's;

(d) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined net capital and surplus of not less than Two Hundred Fifty Million Dollars ($250,000,000);

(e) repurchase obligations with a term of not more than seven days for underlying securities of the types described in subpart (a) above entered into with any bank meeting the qualifications specified in subpart (d) above; and

(f) investments in money market funds which invest exclusively in assets satisfying the requirements of subparts (a) through (e) above.

"Cash Collateral Account" means a commercial Deposit Account designated "cash collateral account" and maintained by the Credit Parties with Agent, without liability by Agent or the Lenders to pay interest thereon, from which account Agent, on behalf of the Lenders, shall have the exclusive right to withdraw funds until all of the Secured Obligations are paid in full.

"Cash Security" means all cash, instruments, Deposit Accounts and other cash equivalents, whether matured or unmatured, whether collected or in the process of collection, upon which a Credit Party presently has or may hereafter have any claim, wherever located, including but not limited to any of the foregoing that are presently or may hereafter be existing or maintained with, issued by, drawn upon, or in the possession of Agent or any Lender.

"Change in Control" means (a) the acquisition of, or, if earlier, the shareholder or director approval of the acquisition of, ownership or voting control, directly or indirectly, beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Exchange Act) or of record, on or after the Closing Date, by any Person or group (within the meaning of Sections 13d and 14d of the Exchange Act), of shares representing more than thirty percent (30%) of the aggregate ordinary Voting Power represented by the issued and outstanding equity interests of Borrower; (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors or other governing body of Borrower by Persons who were neither (i) nominated by the board of directors or other governing body of Borrower nor (ii) appointed by directors so nominated; (c) Borrower shall cease to own one hundred percent (100%) of each other Borrowing Base Company; or (d) the occurrence of a change in control, or other term of similar import used therein, as defined in any Senior Notes Document or Material Indebtedness Agreement.

"Closing Available Liquidity" means, as of the Closing Date, the sum of (a) the aggregate unrestricted and unencumbered cash on hand of the Credit Parties held at financial institutions located in the United States, plus (b) Revolving Credit Availability, provided that, for purposes of calculating the Revolving Credit Availability under Section 4.2(s), Revolving Credit Exposure shall include, without duplication, (i) any fees and expenses due under Section 4.2(u) hereof, (ii) any accounts payable of Borrower with balances over sixty (60) days past due, and (iii) Borrower's initial credit request under the Revolving Credit Commitment.

"Closing Date" means the effective date of this Agreement as set forth in the first paragraph of this Agreement.

"Closing Revolving Amount" means Twenty-Five Million Dollars ($25,000,000).

"Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

"Collateral" means (a) all of Borrower's existing and future (i) personal property, (ii) Accounts, Investment Property, instruments, contract rights, chattel paper, documents, supporting obligations, letter-of-credit rights, Pledged Securities, Pledged Notes (if any), Government Contracts, Commercial Tort Claims, General Intangibles, Inventory and Equipment, (iii) funds now or hereafter on deposit in one or more Cash Collateral Accounts, if any, and (iv) Cash Security; (b) the Real Property; and (c) Proceeds of any of the foregoing.

"Collection" means any payment made from an Account Debtor to a Credit Party including, but not limited to, cash, checks, drafts and any other form of payment.

"Commercial Tort Claim" means a commercial tort claim, as that term is defined in the U.C.C.

"Commitment" means the obligation hereunder of the Lenders, during the Commitment Period, to make Loans and to participate in Swing Loans and the issuance of Letters of Credit pursuant to the Revolving Credit Commitment, up to the Total Commitment Amount.

"Commitment Increase Period" means the period from the Closing Date to the date that is six months prior to the last day of the Commitment Period.

"Commitment Percentage" means, for each Lender, the percentage set forth opposite such Lender's name under the column headed "Commitment Percentage", as listed in *Schedule 1* hereto (taking into account any assignments pursuant to Section 11.10 hereof).

"Commitment Period" means the period from the Closing Date to May 18, 2014, or such earlier date on which the Commitment shall have been terminated pursuant to Article IX hereof.

"Companies" means Borrower and all Subsidiaries.

"Company" means Borrower or a Subsidiary.

"Compliance Certificate" means a Compliance Certificate in the form of the attached *Exhibit E*.

"Confidential Information" means all confidential or proprietary information about the Companies that has been furnished by any Company to Agent or any Lender, whether furnished before or after the Closing Date and regardless of the manner in which it is furnished, but does not include any such information that (a) is or becomes generally available to the public other than as a result of a disclosure by Agent or such Lender not permitted by this Agreement, (b) was available to Agent or such Lender on a nonconfidential basis prior to its disclosure to Agent or such Lender, or (c) becomes available to Agent or such Lender on a nonconfidential basis from a Person other than a Company.

"Consideration" means, in connection with an Acquisition, the aggregate consideration paid or to be paid, including borrowed funds, cash, deferred payments, the issuance of securities or notes, the assumption or incurring of liabilities (direct or contingent), the payment of consulting fees or fees for a covenant not to compete and any other consideration paid or to be paid for such Acquisition.

"Consolidated" means the resultant consolidation of the financial statements of Borrower and its Subsidiaries in accordance with GAAP, including principles of consolidation consistent with those applied in preparation of the consolidated financial statements referred to in Section 6.14 hereof.

"Consolidated Capital Expenditures" means, for any period, the amount of capital expenditures of Borrower, as determined on a Consolidated basis.

"Consolidated Depreciation and Amortization Charges" means, for any period, the aggregate of all depreciation and amortization charges for fixed assets, leasehold improvements and general intangibles (specifically including goodwill) of Borrower for such period, as determined on a Consolidated basis.

"Consolidated EBITDA" means, for any period, as determined on a Consolidated basis, (a) Consolidated Net Income for such period plus, without duplication, the aggregate amounts

deducted in determining such Consolidated Net Income in respect of (i) Consolidated Interest Expense, (ii) Consolidated Income Tax Expense, (iii) Consolidated Depreciation and Amortization Charges, (iv) non-cash losses or charges, and (v) losses with respect to Kratos Southeast, Inc. (so long as Kratos Southeast, Inc. is held as a discontinued operation and is sold or otherwise divested on or prior to the last day of the 2010 fiscal year of Borrower) for (A) the 2009 fiscal year of Borrower, and (B) the Quarterly Reporting Periods in 2010 in an aggregate amount not to exceed Two Million Dollars ($2,000,000); minus (b) to the extent included in Consolidated Net Income for such period, non-cash gains.

"Consolidated Fixed Charges" means, for any period, as determined on a Consolidated basis, the aggregate, without duplication, of (a) Consolidated Interest Expense, and (b) principal payments on Consolidated Funded Indebtedness (including, without limitation, payments on Capitalized Lease Obligations, and excluding optional prepayments of the Revolving Loans).

"Consolidated Funded Indebtedness" means, at any date, all Indebtedness (including, but not limited to, short-term, long-term and Subordinated Indebtedness, if any) of Borrower, as determined on a Consolidated basis.

"Consolidated Income Tax Expense" means, for any period, all provisions for taxes based on the gross or net income of Borrower (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto), as determined on a Consolidated basis.

"Consolidated Interest Expense" means, for any period, the interest expense (including, without limitation, the "imputed interest" portion of Capitalized Lease Obligations, synthetic leases and asset securitizations, if any, and excluding deferred financing costs) of Borrower for such period, as determined on a Consolidated basis.

"Consolidated Net Income" means, for any period, the net income (loss) of Borrower for such period, as determined on a Consolidated basis.

"Consolidated Net Worth" means, at any date, the stockholders' equity of Borrower, determined as of such date on a Consolidated basis.

"Consolidated Unfunded Capital Expenditures" means, for any period, Consolidated Capital Expenditures that are not directly financed by the Companies with long-term Indebtedness (other than Revolving Loans) or Capitalized Lease Obligations, as determined on a Consolidated basis.

"Contract Account Debtor" means, with respect to a Government Contract or a Government Subcontract, as determined on a contract by contract basis, an Account Debtor or any other Person obligated to pay all or any part of an Account in any manner and includes (without limitation) any Guarantor thereof.

"Control Agreement" means each Deposit Account Control Agreement and each Securities Account Control Agreement.

"Controlled Disbursement Account" means a commercial Deposit Account designated "controlled disbursement account" and maintained by one or more Credit Parties with Agent or another Lender, without liability by Agent or such Lender to pay interest thereon.

"Controlled Group" means a Company and each Person required to be aggregated with a Company under Code Section 414(b), (c), (m) or (o).

"Credit Event" means the making by the Lenders of a Loan, the conversion by the Lenders of a Base Rate Loan to a Eurodollar Loan, the continuation by the Lenders of a Eurodollar Loan after the end of the applicable Interest Period, the making by the Swing Line Lender of a Swing Loan, or the issuance (or amendment or renewal) by the Fronting Lender of a Letter of Credit.

"Credit Party" means Borrower and any Subsidiary or other Affiliate that is a Guarantor of Payment.

"Default" means an event or condition that constitutes, or with the lapse of any applicable grace period or the giving of notice or both would constitute, an Event of Default, and that has not been waived by the Required Lenders (or, if required hereunder, all of the Lenders) in writing.

"Default Rate" means (a) with respect to any Loan or other Obligation, a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto, and (b) with respect to any other amount, if no rate is specified or available, a rate per annum equal to two percent (2%) in excess of the Derived Base Rate from time to time in effect.

"Defaulting Lender" means any Lender, as reasonably determined by Agent, that (a) has failed (which failure has not been cured) to fund any Loan or any participation interest in Letters of Credit required to be made hereunder in accordance with the terms hereof (unless such Lender shall have notified Agent and Borrower in writing of its good faith determination that a condition under Section 4.1 hereof to its obligation to fund any Loan shall not have been satisfied); (b) has notified Borrower or Agent in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit; (c) has failed, within three Business Days after receipt of a written request from Agent or Borrower to confirm that it will comply with the terms of this Agreement relating to its obligation to fund prospective Loans or participations in Letters of Credit, and such request states that the requesting party has reason to believe that the Lender receiving such request may fail to comply with such obligation, and states such reason; or (d) has failed to pay to Agent or any other Lender when due an amount owed by such Lender to Agent or any other Lender pursuant to the terms of this Agreement, unless such amount is subject to a good faith dispute or such failure has been cured. Any Defaulting Lender shall cease to be a Defaulting Lender when Agent determines, in its reasonable discretion, that such Defaulting Lender is no longer a Defaulting Lender based upon the characteristics set forth in this definition.

"Deposit Account" means a deposit account, as that term is defined in the U.C.C.

"Deposit Account Control Agreement" means each Deposit Account Control Agreement among a Credit Party, Agent and a depository institution, dated on or after the Closing Date, to be in form and substance satisfactory to Agent, as the same may from time to time be amended, restated or otherwise modified.

"Derived Base Rate" means a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for Base Rate Loans plus the Base Rate.

"Derived Eurodollar Rate" means a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) for Eurodollar Loans plus the Eurodollar Rate.

"Disposition" means the lease, transfer or other disposition of assets (whether in one or more than one transaction) by a Company.

"Dollar" or the $ sign means lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary that is not a Foreign Subsidiary.

"Dormant Subsidiary" means, as of any date of determination, a Company that (a) is not a Credit Party or the equity holder of a Credit Party, (b) has aggregate assets of less than Five Hundred Thousand Dollars ($500,000), (c) generated less than One Million Dollars ($1,000,000) in annual revenue during the most recently completed fiscal year of Borrower, and (d) has no direct or indirect Subsidiaries (i) with aggregate assets, for such Company and all such Subsidiaries, of more than Five

Hundred Thousand Dollars ($500,000), or (ii) that generated, in the aggregate, for such Company and all such Subsidiaries, more than One Million Dollars ($1,000,000) in annual revenue during the most recently completed fiscal year of Borrower.

"Downgraded Lender" means any Lender that has a non-credit enhanced senior unsecured debt rating below investment grade from either Moody's, Standard & Poor's or any other nationally recognized statistical rating organization recognized as such by the SEC. Any Downgraded Lender shall cease to be a Downgraded Lender when Agent determines, in its reasonable discretion, that such Downgraded Lender is no longer a Downgraded Lender based upon the characteristics set forth in this definition.

"EBITDA" means, for any period, in accordance with GAAP, (a) Net Income for such period, plus the aggregate amounts deducted in determining such Net Income in respect of (i) income taxes, (ii) interest expense, (iii) depreciation and amortization charges, and (iv) non-cash losses or charges; minus (b) to the extent included in Net Income for such period, non-cash gains.

"Eligible Account Receivable" means an Account that is an account receivable (i.e., each specific invoice) of a Borrowing Base Company that, at all times until it is collected in full, continuously meets the following requirements:

(a) is not subject to any claim for credit, allowance or adjustment by the Account Debtor or any defense, dispute, set-off, chargeback or counterclaim;

(b) arose in the ordinary course of business of such Borrowing Base Company from the performance (fully completed) of services or bona fide sale of goods that have been shipped to the Account Debtor, and not more than ninety (90) days have elapsed since the invoice date;

(c) is not owing from an Account Debtor with respect to which such Borrowing Base Company has received any notice or has any knowledge of insolvency, bankruptcy or financial impairment, or that has suspended normal business operations, dissolved, liquidated or terminated its existence;

(d) is not subject to an assignment, pledge, claim, mortgage, lien or security interest of any type except those granted to or in favor of Agent, for the benefit of the Lenders, and Indenture Agent, for the benefit of the Senior Noteholders;

(e) does not relate to any goods repossessed, lost, damaged, rejected or returned, or acceptance of which has been revoked or refused;

(f) is not evidenced by a promissory note or any other instrument or by chattel paper;

(g) has not been determined by Agent to be unsatisfactory in any respect, in its reasonable credit judgment;

(h) is not a Government Account Receivable (other than an Eligible Government Account Receivable);

(i) is not owing from an Affiliate, an equity holder or an employee of such Borrowing Base Company;

(j) is not a Foreign Account Receivable, except for the amount of such Foreign Account Receivable that is fully insured by an insurer acceptable to Agent or backed by a letter of credit issued by, or a guaranty from, a financial institution acceptable to Agent, in each case in form and substance acceptable to Agent in its reasonable credit judgment;

(k) is not owing from (i) a Contract Account Debtor that has failed to pay more than fifty percent (50%), in the case of an Account Debtor on a Government Contract, of its currently outstanding accounts receivable within ninety (90) days of the invoice date, or (ii) an Account Debtor that has

failed to pay more than twenty-five percent (25%), in the case of any other Account Debtor, of its currently outstanding accounts receivable within ninety (90) days of the invoice date;

(l) with respect to:

(i) an Account Debtor (other than (A) the United States or any of its departments, agencies or instrumentalities, or (B) an Investment Grade Account Debtor) that, together with its affiliates, owes one or more Borrowing Base Companies more than twenty-five percent (25%) of all accounts receivable of the Borrowing Base Companies, is not the portion of the Accounts that represents the amount in excess of twenty-five percent (25%) of such accounts receivable; and

(ii) an Investment Grade Account Debtor (other than the United States or any of its departments, agencies or instrumentalities) that, together with its affiliates, owes one or more Borrowing Base Companies more than fifty percent (50%) of all accounts receivable of the Borrowing Base Companies, is not the portion of the Accounts that represents the amount in excess of fifty percent (50%) of such accounts receivable; and

(m) is an Account in which Agent, for the benefit of the Lenders, has a valid and enforceable first priority security interest;

(n) has not arisen in connection with sales of goods that were shipped or delivered to an Account Debtor on consignment, a sale or return basis, a guaranteed sale basis, a bill and hold basis, or on the basis of any similar understanding;

(o) is not subject to any provision prohibiting assignment of the right to payment or requiring notice of or consent to such assignment (except provisions that are not enforceable under the Uniform Commercial Code in the applicable jurisdiction);

(p) is not owing from an Account Debtor (other than the United States or any of its departments, agencies or instrumentalities) located in a state that requires that such Borrowing Base Company, in order to sue any Person in such state's courts, to either (i) qualify to do business in such state or (ii) file a report with the taxation division of such state for the then current year, unless, in each case, such Borrowing Base Company has fulfilled such requirements to the extent applicable for the then current year;

(q) is not an Account with respect to which any of the representations, warranties, covenants and agreements contained in this Agreement or any of the Loan Documents are not or have ceased to be complete and correct, or have been breached;

(r) is not an Account that represents a progress billing (other than an Eligible Government Account Receivable or an Eligible Government Subcontract Account Receivable);

(s) is not owing by any state or any department, agency, or instrumentality thereof unless such Borrowing Base Company has complied with any applicable statutory or regulatory requirements thereof in respect of the security interest of Agent, for the benefit of the Lenders, as granted hereunder;

(t) is not, other than with respect to a Government Account Receivable or a Government Subcontract Account Receivable, owing from an Account Debtor that is also a supplier to or creditor of any Borrowing Base Company to the extent of the amount owing to such supplier or creditor; and

(u) does not represent a manufacturer's or supplier's credits, discounts, incentive plans or similar arrangements entitling any Borrowing Base Company to discounts on future purchases therefrom.

"Eligible Government Account Receivable" means a Government Account Receivable of a Borrowing Base Company that, at all times until it is collected in full, continuously meets the following requirements:

(a) with respect to a Fixed Price Government Contract, the contracting officer (or the authorized representative of such contracting officer) for such Government Account Receivable has approved the payment of such Government Account Receivable;

(b) all customary and required procedures have been followed by such Borrowing Base Company to ensure the accuracy and legitimacy of such Government Account Receivable;

(c) is not relating to a Government Contract that includes a provision that prohibits the assignment of amounts due under such contract;

(d) an Instrument of Assignment and a Notice of Assignment of Claims have been delivered to Agent with respect to such Government Account Receivable;

(e) no Company has received notice or has knowledge (or reason to believe) that the Account Debtor with respect to such Government Account Receivable does not intend to pay such Government Account Receivable (or any other Government Account Receivable relating to the same Government Contract) in accordance with the invoice with respect thereto, in accordance with the terms of the Government Contract, or in accordance with the information that Borrower has provided to Agent with respect to such Government Account Receivable;

(f) no Company has received a "Cure Notice", "Show Cause" or other similar notice with respect to such Government Account Receivable (or any other Government Account Receivable relating to the same Government Contract); and

(g) such Government Account Receivable meets all of the requirements of an Eligible Account Receivable other than subparts (h), (l), (p), (r) and (t) of the Eligible Account Receivable definition.

"Eligible Government Subcontract Account Receivable" means a Government Subcontract Account Receivable of a Borrowing Base Company that, at all times until it is collected in full, continuously meets the following requirements:

(a) the customer with respect to such Government Subcontract Account Receivable has approved the payment of such Government Subcontract Account Receivable;

(b) no Company has received a notice of default or other similar notice with respect to such Government Subcontract Account Receivable; and

(c) such Government Subcontract Account Receivable meets all of the requirements of an Eligible Account Receivable other than subparts (h), (r) and (t) of the Eligible Account Receivable definition.

"Eligible Inventory" means all Inventory of a Borrowing Base Company in which Agent, for the benefit of the Lenders, has a valid and enforceable first security interest, except Inventory that:

(a) is in-transit or located outside of the United States;

(b) is in the possession of a bailee, consignee or other third party, unless (i) reserves, satisfactory to Agent, have been established with respect thereto; or (ii) (A) with respect to a consignee, processor or bailee, an acknowledged consignment letter, Processor's Waiver or Bailee's Waiver, as the case may be, has been received by Agent, (B) such third party is listed on *Schedule 6.9* hereto, as amended from time to time, or Agent has received prior written notice of such third party location, (C) if required by Agent, proper notice has been given to all secured parties of such third party that have filed U.C.C. Financing Statements claiming a security interest in such third party's inventory, and (D) with respect

to a consignee or processor, such Borrowing Base Company has filed appropriate U.C.C. Financing Statements to protect its interest therein, in form and substance satisfactory to Agent;

(c) is located on facilities leased by a Borrowing Base Company, unless an acknowledged Landlord's Waiver has been received (or waived in writing) by Agent, or reserves, satisfactory to Agent, have been established with respect thereto;

(d) is work-in-process;

(e) is slow-moving, damaged, defective or obsolete;

(f) consists of (i) goods not held for sale, such as labels, maintenance items, supplies and packaging, or held for return to vendors, or (ii) Inventory used in connection with research and development;

(g) is held for return to vendors;

(h) is subject to a Lien in favor of any Person other than Agent, for the benefit of the Lenders, and Indenture Agent, for the benefit of the Senior Noteholders; or

(i) is determined by Agent to be unsatisfactory in any respect, in its reasonable credit judgment.

"Eligible Transferee" means a commercial bank, financial institution or other "accredited investor" (as defined in SEC Regulation D) that is not Borrower, a Subsidiary or an Affiliate.

"Environmental Disclosure Letter" means that certain letter from Borrower to Agent, dated as of the Closing Date, concerning certain environmental disclosures.

"Environmental Laws" means all provisions of law (including the common law), statutes, ordinances, codes, rules, guidelines, policies, procedures, orders-in-council, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by a Governmental Authority or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning environmental health or safety and protection of, or regulation of the discharge of substances into, the environment.

"Environmental Permits" means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

"Equipment" means equipment, as that term is defined in the U.C.C.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated pursuant thereto.

"ERISA Event" means (a) the existence of a condition or event with respect to an ERISA Plan that presents a risk of the imposition of an excise tax or any other liability on a Company or of the imposition of a Lien on the assets of a Company; (b) the engagement by a Controlled Group member in a non-exempt "prohibited transaction" (as defined under ERISA Section 406 or Code Section 4975) or a breach of a fiduciary duty under ERISA that could result in liability to a Company; (c) the application by a Controlled Group member for a waiver from the minimum funding requirements of Code Section 412 or ERISA Section 302 or a Controlled Group member is required to provide security under Code Section 401(a)(29) or ERISA Section 307; (d) the occurrence of a Reportable Event with respect to any Pension Plan as to which notice is required to be provided to the PBGC; (e) the withdrawal by a Controlled Group member from a Multiemployer Plan in a "complete withdrawal" or a "partial withdrawal" (as such terms are defined in ERISA Sections 4203 and 4205, respectively); (f) the involvement of, or occurrence or existence of any event or condition that makes likely the involvement of, a Multiemployer Plan in any reorganization under ERISA Section 4241; (g) the failure of an ERISA Plan (and any related trust) that is intended to be qualified under Code Sections 401 and 501 to be so qualified or the failure of any "cash or deferred arrangement" under any such ERISA

Plan to meet the requirements of Code Section 401(k); (h) the taking by the PBGC of any steps to terminate a Pension Plan or appoint a trustee to administer a Pension Plan, or the taking by a Controlled Group member of any steps to terminate a Pension Plan; (i) the failure by a Controlled Group member or an ERISA Plan to satisfy any requirements of law applicable to an ERISA Plan; (j) the commencement, existence or threatening of a claim, action, suit, audit or investigation with respect to an ERISA Plan, other than a routine claim for benefits; or (k) any incurrence by or any expectation of the incurrence by a Controlled Group member of any liability for post-retirement benefits under any Welfare Plan, other than as required by ERISA Section 601, *et. seq.* or Code Section 4980B.

"ERISA Plan" means an "employee benefit plan" (within the meaning of ERISA Section 3(3)) that a Controlled Group member at any time sponsors, maintains, contributes to, has liability with respect to or has an obligation to contribute to such plan.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar" means a Dollar denominated deposit in a bank or branch outside of the United States.

"Eurodollar Loan" means a Revolving Loan described in Section 2.2(a) hereof, that shall be denominated in Dollars and on which Borrower shall pay interest at a rate based upon the Derived Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Loan, for any Interest Period, a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the nearest $1/16^{th}$ of 1%) by dividing (a) the rate of interest, determined by Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) as of approximately 11:00 A.M. (London time) two Business Days prior to the beginning of such Interest Period pertaining to such Eurodollar Loan, as listed on British Bankers Association Interest Rate LIBOR 01 or 02 as provided by Reuters or Bloomberg (or, if for any reason such rate is unavailable from Reuters or Bloomberg, from any other similar company or service that provides rate quotations comparable to those currently provided by Reuters or Bloomberg) as the rate in the London interbank market for Dollar deposits in immediately available funds with a maturity comparable to such Interest Period, provided that, in the event that such rate quotation is not available for any reason, then the Eurodollar Rate shall be the average (rounded upward to the nearest $1/16^{th}$ of 1%) of the per annum rates at which deposits in immediately available funds in Dollars for the relevant Interest Period and in the amount of the Eurodollar Loan to be disbursed or to remain outstanding during such Interest Period, as the case may be, are offered to Agent (or an affiliate of Agent, in Agent's discretion) by prime banks in any Eurodollar market reasonably selected by Agent, determined as of 11:00 A.M. (London time) (or as soon thereafter as practicable), two Business Days prior to the beginning of the relevant Interest Period pertaining to such Eurodollar Loan; by (b) 1.00 minus the Reserve Percentage.

"Event of Default" means an event or condition that shall constitute an event of default as defined in Article VIII hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Taxes" means, in the case of Agent and each Lender, taxes imposed on or measured by its overall net income or branch profits, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which Agent or such Lender, as the case may be, is organized or in which its principal office is located, or, in the case of any Lender, in which its applicable lending office is located.

"Existing Letter of Credit" means that term as defined in Section 2.2(b)(vii) hereof.

"Federal Funds Effective Rate" means, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the Closing Date.

"Financial Officer" means any of the following officers: chief executive officer, president, corporate controller, chief financial officer or treasurer. Unless otherwise qualified, all references to a Financial Officer in this Agreement shall refer to a Financial Officer of Borrower.

"Fixed Charge Coverage Ratio" means, as determined for the most recently completed four Quarterly Reporting Periods of Borrower, the ratio of (a) (i) Consolidated EBITDA, minus (ii) Consolidated Unfunded Capital Expenditures, minus (iii) Consolidated Income Tax Expense paid in cash, minus (iv) Capital Distributions (other than matching contributions to a 401(k) plan or pursuant to an employee stock purchase plan); to (b) Consolidated Fixed Charges.

"Fixed Price Government Contract" means a firm fixed price Government Contract, or any other type of Government Contract, that requires prior approval of a contracting officer (or the authorized representative of such contracting officer) before payments are made in connection with such Government Contract.

"Foreign Account Receivable" means an Account that arises out of contracts with or orders from an Account Debtor that is not a resident of the United States or Canada.

"Foreign Benefit Plan" means each material plan, fund, program or policy established under the law of a jurisdiction other than the United States (or a state or local government thereof), whether formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which one or more Companies have any liability with respect to any employee or former employee, but excluding any Foreign Pension Plan.

"Foreign Pension Plan" means a pension plan required to be registered under the law of a jurisdiction other than the United States (or a state or local government thereof), that is maintained or contributed to by one or more Companies for their employees or former employees.

"Foreign Subsidiary" means a Subsidiary that is organized under the laws of any jurisdiction other than the United States, any State thereof or the District of Columbia.

"Fronting Lender" means, as to any Letter of Credit transaction hereunder, Agent as issuer of the Letter of Credit, or, in the event that Agent shall be unable to issue a Letter of Credit, such other Lender as shall agree to issue the Letter of Credit in its own name, but in each instance on behalf of the Lenders hereunder.

"GAAP" means generally accepted accounting principles in the United States as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, applied on a basis consistent with the past accounting practices and procedures of Borrower.

"General Intangibles" means (a) general intangibles, as that term is defined in the U.C.C.; and (b) choses in action, causes of action, intellectual property, customer lists, corporate or other business records, inventions, designs, patents, patent applications, service marks, registrations, trade names, trademarks, copyrights, licenses, goodwill, computer software, rights to indemnification and tax refunds.

"Gichner" means Gichner Holdings, Inc., a Delaware corporation.

"Gichner Acquisition" means the Acquisition by Borrower of Gichner, pursuant to the Gichner Acquisition Documents.

"Gichner Acquisition Documents" means the Gichner Purchase Agreement and each other document executed and delivered in connection therewith.

"Gichner Purchase Agreement" means that certain Stock Purchase Agreement, dated as of April 12, 2010, between Borrower and Gichner.

"Government Account Receivable" means an Account that arises out of a Government Contract.

"Government Contract" means an agreement, contract or license to which any Credit Party and the United States or any of its departments, agencies or instrumentalities are parties.

"Government Subcontract" means an agreement, contract or license, other than a Government Contract, to which any Credit Party is a party for which the United States or any of its departments, agencies or instrumentalities is the end customer.

"Government Subcontract Account Receivable" means an Account that arises out of a Government Subcontract.

"Governmental Authority" means any nation or government, any state, province or territory or other political subdivision thereof, any governmental agency, department, authority, instrumentality, regulatory body, court, central bank or other governmental entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization exercising such functions.

"Guarantor" means a Person that shall have pledged its credit or property in any manner for the payment or other performance of the indebtedness, contract or other obligation of another and includes (without limitation) any guarantor (whether of payment or of collection), surety, co-maker, endorser or Person that shall have agreed conditionally or otherwise to make any purchase, loan or investment in order thereby to enable another to prevent or correct a default of any kind.

"Guarantor of Payment" means each of the Companies designated a "Guarantor of Payment" on *Schedule 2* hereto, each of which is executing and delivering a Guaranty of Payment on the Closing Date, and any other Domestic Subsidiary that shall deliver a Guaranty of Payment to Agent, or become a party by joinder to the previously executed Guaranty of Payment, subsequent to the Closing Date.

"Guaranty of Payment" means each Guaranty of Payment executed and delivered on or after the Closing Date in connection with this Agreement by the Guarantors of Payment, as the same may from time to time be amended, restated or otherwise modified.

"Guaranty of Payment Joinder" means each Guaranty of Payment Joinder, executed and delivered by a Guarantor of Payment for the purpose of adding such Guarantor of Payment as a party to the previously executed Guaranty of Payment.

"Hedge Agreement" means any (a) hedge agreement, interest rate swap, cap, collar or floor agreement, or other interest rate management device entered into by a Company with any Person in connection with any Indebtedness of such Company, (b) currency swap agreement, forward currency purchase agreement or similar arrangement or agreement designed to protect against fluctuations in currency exchange rates entered into by a Company, or (c) any forward commodity purchase agreement or similar agreement or arrangement designed to protect against fluctuations in raw material or other commodity prices.

"Hermes Contract" means Contract No. 1269 between Hellenic Aerospace Industry S.A. and Gichner (UK) LTD for the procurement of mobile shelters type S-280 C/G dated February 26, 2004 and as amended on March 2, 2010.

"Indebtedness" means, for any Company, without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (c) all obligations under conditional sales or other title retention agreements, (d) all obligations (contingent or otherwise) under any letter of credit or banker's acceptance, (e) all net obligations under any Hedge Agreement, (f) all synthetic leases, (g) all Capitalized Lease Obligations, (h) all obligations of such Company with respect to asset securitization financing programs, (i) all obligations to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person, (j) all indebtedness of the types referred to in subparts (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Company is a general partner or joint venturer, unless such indebtedness is expressly made non-recourse to such Company, (k) any other transaction (including forward sale or purchase agreements) having the commercial effect of a borrowing of money entered into by such Company to finance its operations or capital requirements, and (l) any guaranty of any obligation described in subparts (a) through (k) hereof.

"Indenture Agent" means Wilmington Trust FSB and any successor collateral agent pursuant to the Senior Notes Documents.

"Indenture Priority Collateral" means the "Indenture Priority Collateral", as that term is defined in the Intercreditor Agreement.

"Insolvent Lender" means a Lender that (a) has become or is not Solvent or is the Subsidiary of a Person that has become or is not Solvent; or (b) has become the subject of a proceeding under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, or is a Subsidiary of a Person that has become subject of a proceeding under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be an Insolvent Lender solely by virtue of the ownership or acquisition of an equity interest in such Lender or a parent company thereof by a governmental authority or an instrumentality thereof. Any Insolvent Lender shall cease to be an Insolvent Lender when Agent determines, in its reasonable discretion, that such Insolvent Lender is no longer an Insolvent Lender based upon the characteristics set forth in this definition.

"Instrument of Assignment" means an Instrument of Assignment, in the form of the attached *Exhibit G*.

"Intellectual Property Security Agreement" means an Intellectual Property Security Agreement executed and delivered on or after the Closing Date by Borrower or a Guarantor of Payment, wherein Borrower or such Guarantor of Payment, as the case may be, has granted to Agent, for the benefit of the Lenders, a security interest in all intellectual property owned by Borrower or such Guarantor of Payment, as the same may from time to time be amended, restated or otherwise modified.

"Intercreditor Agreement" means the Intercreditor Agreement dated as of the Closing Date among Agent, for the benefit of and on behalf of the Lenders, and the Indenture Agent, for the benefit of and on behalf of the Senior Noteholders, as the same may from time to time be amended, restated or otherwise modified.

"Interest Adjustment Date" means the last day of each Interest Period.

"Interest Period" means, with respect to a Eurodollar Loan, the period commencing on the date such Eurodollar Loan is made and ending on the last day of such period, as selected by Borrower

pursuant to the provisions hereof, and, thereafter (unless such Eurodollar Loan is converted to a Base Rate Loan), each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of such period, as selected by Borrower pursuant to the provisions hereof. The duration of each Interest Period for a Eurodollar Loan shall be one month, two months, three months or six months, in each case as Borrower may select upon notice, as set forth in Section 2.5 hereof; provided that, if Borrower shall fail to so select the duration of any Interest Period for a Eurodollar Loan at least three Business Days prior to the Interest Adjustment Date applicable to such Eurodollar Loan, Borrower shall be deemed to have converted such Eurodollar Loan to a Base Rate Loan at the end of the then current Interest Period.

"Inventory" means inventory, as that term is defined in the U.C.C.

"Investment Grade Account Debtor" means an Account Debtor with a long term issuer rating of no less than Baa1 from Moody's or BBB+ from Standard & Poor's.

"Investment Property" means investment property, as that term is defined in the U.C.C., unless the Uniform Commercial Code as in effect in another jurisdiction would govern the perfection and priority of a security interest in investment property, and, in such case, "investment property" shall be defined in accordance with the law of that jurisdiction as in effect from time to time.

"KeyBank" means KeyBank National Association, and its successors and assigns.

"Landlord's Waiver" means a landlord's waiver or mortgagee's waiver, each in form and substance satisfactory to Agent, delivered by a Credit Party in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

"Lender" means that term as defined in the first paragraph hereof and, as the context requires, shall include the Fronting Lender and the Swing Line Lender.

"Letter of Credit" means a commercial documentary letter of credit or standby letter of credit that shall be issued by the Fronting Lender for the account of Borrower or a Guarantor of Payment, including amendments thereto, if any, and shall have an expiration date no later than the earlier of (a) three hundred sixty-four (364) days after its date of issuance (provided that such Letter of Credit may provide for the renewal thereof for additional one year periods), or (b) ten days prior to the last day of the Commitment Period.

"Letter of Credit Commitment" means the commitment of the Fronting Lender, on behalf of the Lenders, to issue Letters of Credit in an aggregate face amount of up to Ten Million Dollars ($10,000,000).

"Letter of Credit Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all issued and outstanding Letters of Credit, and (b) the aggregate of the draws made on Letters of Credit that have not been reimbursed by Borrower or converted to a Revolving Loan pursuant to Section 2.2(b)(v) hereof.

"Lien" means any mortgage, deed of trust, security interest, lien (statutory or other), charge, assignment, hypothecation, encumbrance on, pledge or deposit of, or conditional sale, leasing (other than Operating Leases), sale with a right of redemption or other title retention agreement and any capitalized lease with respect to any property (real or personal) or asset.

"Loan" means a Revolving Loan or a Swing Loan made to Borrower by the Lenders in accordance with Section 2.2(a) or 2.2(c) hereof.

"Loan Documents" means, collectively, this Agreement, each Note, each Guaranty of Payment, each Guaranty of Payment Joinder, all documentation relating to each Letter of Credit, the Intercreditor Agreement, each Security Document and the Agent Fee Letter, as any of the foregoing

may from time to time be amended, restated or otherwise modified or replaced, and any other document delivered pursuant thereto.

"Lockbox" means the post office box rented by and in the name of one or more Credit Parties in accordance with Section 7.2(a) hereof.

"Management Fees" means management, consulting or other similar fees paid by any Company to an equity holder (other than a Company) of a Company or an Affiliate.

"Master Agreement" means that Master Agreement entered into by and among the Credit Parties and Agent in connection with the cash management services undertaken by Agent on behalf of the Companies.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of any Credit Party, (b) the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Companies taken as a whole, (c) the rights and remedies of Agent or the Lenders under any Loan Document, (d) the ability of any Credit Party to perform its obligations under any Loan Document to which it is a party or the Senior Notes Documents, or (e) the legality, validity, binding effect or enforceability against any Credit Party of any Loan Document to which it is a party.

"Material Contract" means (a) any contract or agreement requiring annual payments to be made by a Credit Party or providing for annual payments to be received by a Credit Party, in each case in excess of Two Million Dollars ($2,000,000), (b) any other contract or other arrangement to which any Credit Party is a party for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect, or (c) any Material Indebtedness Agreement.

"Material Indebtedness Agreement" means any debt instrument, lease (capital, operating or otherwise), guaranty, contract, commitment, agreement or other arrangement evidencing or entered into in connection with any Indebtedness of any Company or the Companies equal to or in excess of the amount of Two Million Five Hundred Thousand Dollars ($2,500,000).

"Maximum Amount" means, for each Lender, the amount set forth opposite such Lender's name under the column headed "Maximum Amount" as set forth on *Schedule 1* hereto, subject to decreases determined pursuant to Section 2.9(a) hereof, increases pursuant to Section 2.9(b) hereof, and assignments of interests pursuant to Section 11.10 hereof; provided that the Maximum Amount for the Swing Line Lender shall exclude the Swing Line Commitment (other than its pro rata share), and the Maximum Amount of the Fronting Lender shall exclude the Letter of Credit Commitment (other than its pro rata share).

"Maximum Rate" means that term as defined in Section 2.3(d) hereof.

"Maximum Revolving Amount" means Forty-Five Million Dollars ($45,000,000).

"Monthly Reporting Period" means a four or, in certain cases, (approximately) five week period established by Borrower as its monthly reporting period, as set forth on *Schedule 5.3* hereto, as such *Schedule 5.3* shall from time to time be replaced pursuant to Section 5.3(l) hereof.

"Moody's" means Moody's Investors Service, Inc., and any successor to such company.

"Mortgage" means each Open-End Mortgage, Assignment of Leases and Rents and Security Agreement (or deed of trust or comparable document), dated on or after the Closing Date, relating to the Real Property, executed and delivered by a Credit Party, to further secure the Secured Obligations, as the same may from time to time be amended, restated or otherwise modified.

"Multiemployer Plan" means a Pension Plan that is subject to the requirements of Subtitle E of Title IV of ERISA.

"Net Income" means, for any period, the net income (loss) for such period, determined in accordance with GAAP.

"Non-Consenting Lender" means that term as defined in Section 11.3(c) hereof.

"Non-Transfer Effective Date" means a date on which either (a) a Default or an Event of Default occurs, or (b) the Revolving Credit Availability becomes less than Ten Million Dollars ($10,000,000); and each such subsequent date that occurs after a Transfer Effective Date.

"Non-Transfer Period" means each period commencing on a Non-Transfer Effective Date and ending on the first Transfer Effective Date occurring thereafter; provided that, should more than three separate Non-Transfer Periods exist during any twelve-month period, the then-existing Non-Transfer Period shall continue indefinitely at the discretion of Agent.

"Non-U.S. Lender" means that term as defined in Section 3.2(c) hereof.

"Note" means a Revolving Credit Note or the Swing Line Note, or any other promissory note delivered pursuant to this Agreement.

"Notice of Assignment of Claims" means a Notice of Assignment of Claims, in the form of the attached *Exhibit H*.

"Notice of Loan" means a Notice of Loan in the form of the attached *Exhibit D*.

"Obligations" means, collectively, (a) all Indebtedness and other obligations now owing or hereafter incurred by Borrower to Agent, the Swing Line Lender, the Fronting Lender, or any Lender (or any affiliate thereof) pursuant to this Agreement and the other Loan Documents, and includes the principal of and interest on all Loans and all obligations of Borrower or any other Credit Party pursuant to Letters of Credit; (b) each extension, renewal, consolidation or refinancing of any of the foregoing, in whole or in part; (c) the commitment and other fees, and any prepayment fees payable pursuant to this Agreement or any other Loan Document; (d) all fees and charges in connection with the Letters of Credit; (e) every other liability, now or hereafter owing to Agent or any Lender by any Company pursuant to this Agreement or any other Loan Document; and (f) all Related Expenses.

"Operating Account" means a commercial Deposit Account designated "operating account" and maintained by one or more Credit Parties with Agent, without liability by Agent to pay interest thereon, from which account Borrower shall have the right to withdraw funds until Agent, on behalf of the Lenders, terminates such right after the occurrence of a Default or an Event of Default.

"Operating Leases" means all real or personal property leases under which any Company is bound or obligated as a lessee or sublessee and which, under GAAP, are not required to be capitalized on a balance sheet of such Company; provided that Operating Leases shall not include any such lease under which any Company is also bound as the lessor or sublessor.

"Organizational Documents" means, with respect to any Person (other than an individual), such Person's Articles (Certificate) of Incorporation, operating agreement or equivalent formation documents, and Regulations (Bylaws), or equivalent governing documents, and any amendments to any of the foregoing.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise, ad valorem or property taxes, goods and services taxes, harmonized sales taxes and other sales taxes, use taxes, value added taxes, charges or similar taxes or levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant" means that term as defined in Section 11.11 hereof.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001, as amended from time to time.

"PBGC" means the Pension Benefit Guaranty Corporation, and its successor.

"Pension Plan" means an ERISA Plan that is a "pension plan" (within the meaning of ERISA Section 3(2)).

"Permitted Foreign Subsidiary Loans, Guaranties and Investments" means:

(a) the investments by Borrower or a Domestic Subsidiary in a Foreign Subsidiary, in such amounts existing as of the Closing Date and set forth on *Schedule 5.11* hereto;

(b) the loans by Borrower or a Domestic Subsidiary to a Foreign Subsidiary, in such amounts existing as of the Closing Date and set forth on *Schedule 5.11* hereto (and any extension, renewal or refinancing thereof but, only to the extent that the principal amount thereof does not increase after the Closing Date);

(c) loans and investments by Borrower or a Domestic Subsidiary to or in a Foreign Subsidiary in connection with the Hermes Contract, so long as the aggregate amount of all such loans and investments of all Credit Parties does not exceed, at any time, an aggregate amount of Three Million Five Hundred Thousand Dollars ($3,500,000); and

(d) additional loans and investments by Borrower or a Domestic Subsidiary to or in a Foreign Subsidiary, or guaranties by Borrower or a Domestic Subsidiary of the Indebtedness or contract performance of a Foreign Subsidiary, made on or after the Closing Date in the ordinary course of business, so long as the aggregate amount of all such loans and investments of all Credit Parties does not exceed, at any time, an aggregate amount of One Million Dollars ($1,000,000).

"Person" means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, unlimited liability company, institution, trust, estate, Governmental Authority or any other entity.

"Pledge Agreement" means each of the Pledge Agreements, relating to the Pledged Securities, executed and delivered to Agent, for the benefit of the Lenders, by Borrower or a Guarantor of Payment, as applicable, with respect to the Pledged Securities, as the same may from time to time be amended, restated or otherwise modified.

"Pledged Notes" means the promissory notes payable to Borrower, as described on *Schedule 7.4* hereto, and any additional or future promissory notes that may hereafter from time to time be payable to Borrower.

"Pledged Securities" means all of the shares of capital stock or other equity interest of a Subsidiary of a Credit Party, whether now owned or hereafter acquired or created, and all proceeds thereof; provided that Pledged Securities shall exclude (a) shares of capital stock or other equity interests of any Foreign Subsidiary that is not a first-tier Foreign Subsidiary, and (b) shares of voting capital stock or other voting equity interests in any first-tier Foreign Subsidiary in excess of sixty-five percent (65%) of the total outstanding shares of voting capital stock or other voting equity interest of such first-tier Foreign Subsidiary. (*Schedule 4* hereto lists, as of the Closing Date, all of the Pledged Securities.)

"Prime Rate" means the interest rate established from time to time by Agent as Agent's prime rate, whether or not such rate shall be publicly announced; the Prime Rate may not be the lowest

interest rate charged by Agent for commercial or other extensions of credit. Each change in the Prime Rate shall be effective immediately from and after such change.

"Proceeds" means (a) proceeds, as that term is defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks and Deposit Accounts. Proceeds include, without limitation, any Account arising when the right to payment is earned under a contract right, any insurance payable by reason of loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in this Agreement, the right of Agent and the Lenders to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of Agent or any Lender to a Company's sale, exchange, collection or other disposition of any or all of the Collateral.

"Processor's Waiver" means a processor's waiver (or similar agreement), in form and substance reasonably satisfactory to Agent, delivered by a Company in connection with this Agreement, as such waiver may from time to time be amended, restated or otherwise modified.

"Protective Advance" means a protective advance made by Agent in accordance with Section 2.15 hereof for the following:

(a) to pay and discharge past due taxes, assessments and governmental charges, at any time levied on or with respect to any of the Collateral to the extent that the applicable Company has failed to pay and discharge the same in accordance with the requirements of this Agreement or any of the other Loan Documents;

(b) to pay and discharge any claims of other creditors that are secured by any Lien on any Collateral, other than a Lien permitted by Section 5.9 hereof;

(c) to pay for the maintenance, repair, restoration and preservation of any Collateral to the extent the Company that owns such Collateral fails to comply with its obligations in regard thereto under this Agreement and the other Loan Documents, or Agent reasonably believes payment of the same is necessary or appropriate to avoid a material loss or material diminution in value of such Collateral;

(d) to obtain and pay the premiums on insurance for any Collateral to the extent the Companies fail to maintain such insurance in accordance with the requirements of this Agreement and the other Loan Documents; or

(e) to otherwise maintain, protect or preserve the Collateral or the rights of the Lenders under the Loan Documents and is made to enhance the likelihood of, or to maximize the amount of, repayment of the Secured Obligations.

"Quarterly Reporting Period" means a three month period established by Borrower as a fiscal quarter of Borrower, as more specifically set forth on *Schedule 5.3* hereto, as such *Schedule 5.3* shall from time to time be replaced pursuant to Section 5.3(l) hereof.

"Real Property" means each parcel of real estate owned by a Credit Party as set forth on *Schedule 5* hereto, together with all improvements and buildings thereon and all appurtenances, easements or other rights thereto belonging, and being defined collectively as the "Property" in each of the Mortgages.

"Register" means that term as described in Section 11.10(i) hereof.

"Regularly Scheduled Payment Date" means the last day of each March, June, September and December of each year.

"Related Expenses" means any and all costs, liabilities and expenses (including, without limitation, losses, damages, penalties, claims, actions, attorneys' fees, legal expenses, judgments, suits and disbursements) (a) incurred by Agent, or imposed upon or asserted against Agent or any Lender, in any attempt by Agent and the Lenders to (i) obtain, preserve, perfect or enforce any Loan Document or any security interest evidenced by any Loan Document; (ii) obtain payment, performance or observance of any and all of the Obligations; or (iii) maintain, insure, audit, collect, preserve, repossess or dispose of any of the collateral securing the Obligations or any part thereof, including, without limitation, costs and expenses for appraisals, assessments and audits of any Company or any such collateral; (b) incidental or related to subpart (a) above, including, without limitation, interest thereupon from the date incurred, imposed or asserted until paid at the Default Rate; and (c) all Protective Advances.

"Related Writing" means each Loan Document, each Borrowing Base Certificate and any other assignment, mortgage, security agreement, guaranty agreement, subordination agreement, financial statement, audit report or other writing furnished by any Credit Party, or any of its officers, to Agent or the Lenders pursuant to or otherwise in connection with this Agreement.

"Reportable Event" means any of the events described in Section 4043 of ERISA except where notice is waived by the PBGC.

"Required Lenders" means the holders of at least fifty-one percent (51%), based upon each Lender's Commitment Percentage, of an amount (the "Total Amount") equal to (a) during the Commitment Period, the Total Commitment Amount, or (b) after the Commitment Period, the Revolving Credit Exposure; provided that (i) the portion of the Total Amount held or deemed to be held by any Defaulting Lender or Insolvent Lender shall be excluded for purposes of making a determination of Required Lenders, and (ii) if there shall be two or more Lenders (that are not Defaulting Lenders or Insolvent Lenders), Required Lenders shall constitute at least two Lenders.

"Requirement of Law" means, as to any Person, any law, treaty, rule or regulation or determination or policy statement or interpretation of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property.

"Reserve" or "Reserves" means any amount that Agent reserves, without duplication, pursuant to Section 2.12 hereof, against the Borrowing Base.

"Reserve Percentage" means, for any day, that percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) for a member bank of the Federal Reserve System in Cleveland, Ohio, in respect of Eurocurrency Liabilities. The Eurodollar Rate shall be adjusted automatically on and as of the effective date of any change in the Reserve Percentage.

"Restricted Payment" means, with respect to any Company, (a) any Capital Distribution, (b) any amount paid by such Company in repayment, redemption, retirement or repurchase, directly or indirectly, of any Subordinated Indebtedness, (c) any Management Fees, (d) any amount paid by such Company in repayment, redemption, retirement or repurchase, directly or indirectly, of any Indebtedness owing under the Senior Notes, or (e) the exercise by any Company of any right of defeasance or covenant defeasance or similar right with respect to any Indebtedness owing under the Senior Notes.

"Revolving Amount" means the Closing Revolving Amount, as such amount may be increased up to the Maximum Revolving Amount pursuant to Section 2.9(b) hereof, or decreased pursuant to Section 2.9(a) hereof.

"Revolving Credit Availability" means, at any time, the amount equal to the Revolving Credit Commitment minus the Revolving Credit Exposure.

"Revolving Credit Commitment" means the obligation hereunder, during the Commitment Period, of the Lenders to make Revolving Loans, the Fronting Lender to issue and each Lender to participate in Letters of Credit pursuant to the Letter of Credit Commitment, and the Swing Line Lender to make and each Lender to participate in Swing Loans pursuant to the Swing Line Commitment, up to an aggregate principal amount outstanding at any time equal to the lesser of (a) the Borrowing Base, or (b) the Revolving Amount.

"Revolving Credit Exposure" means, at any time, the sum of (a) the aggregate principal amount of all Revolving Loans outstanding, (b) the Swing Line Exposure, and (c) the Letter of Credit Exposure.

"Revolving Credit Note" means a Revolving Credit Note, in the form of the attached *Exhibit A*, executed and delivered pursuant to Section 2.4(a) hereof.

"Revolving Loan" means a Loan made to Borrower by the Lenders in accordance with Section 2.2(a) hereof.

"SEC" means the United States Securities and Exchange Commission, or any governmental body or agency succeeding to any of its principal functions.

"Secured Obligations" means, collectively, (a) the Obligations, (b) all obligations and liabilities of the Companies owing to Lenders under Hedge Agreements, and (c) the Bank Product Obligations owing to Lenders under Bank Product Agreements.

"Securities Account" means a securities account, as that term is defined in the U.C.C.

"Securities Account Control Agreement" means each Securities Account Control Agreement among a Credit Party and a Securities Intermediary, dated on or after the Closing Date, to be in form and substance satisfactory to Agent, as the same may from time to time be amended, restated or otherwise modified.

"Securities Intermediary" means a clearing corporation or a Person, including, without limitation, a bank or broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity.

"Security Account" means a commercial Deposit Account maintained with Agent, without liability by Agent to pay interest thereon, as described in Section 7.2(e) hereof.

"Security Agreement" means each Security Agreement, executed and delivered by a Guarantor of Payment in favor of Agent, for the benefit of the Lenders, dated as of the Closing Date, and any other Security Agreement executed after the Closing Date, as the same may from time to time be amended, restated or otherwise modified.

"Security Agreement Joinder" means each Security Agreement Joinder, executed and delivered by a Guarantor of Payment for the purpose of adding such Guarantor of Payment as a party to the previously executed Security Agreement.

"Security Documents" means each Security Agreement, each Security Agreement Joinder, each Pledge Agreement, each Intellectual Property Security Agreement, each Processor's Waiver, each Mortgage, each Landlord's Waiver, each Bailee's Waiver, each Control Agreement, each Instrument of Assignment, each Notice of Assignment of Claims, each U.C.C. Financing Statement or similar filing as to a jurisdiction located outside of the United States of America filed in connection herewith or

perfecting any interest created in any of the foregoing documents, and any other document pursuant to which any Lien is granted by a Company or any other Person to Agent, for the benefit of the Lenders, as security for the Secured Obligations, or any part thereof, and each other agreement executed or provided to Agent in connection with any of the foregoing, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced.

"Senior Noteholders" means the holders of the Senior Notes.

"Senior Notes" means the 10% Senior Secured Notes due 2017, as the same may from time to time be amended, restated, supplemented or otherwise modified.

"Senior Notes Documents" means the Senior Notes Indenture and the Senior Notes, and every other agreement executed in connection therewith, as the same may from time to time be amended, restated, supplemented or otherwise modified.

"Senior Notes Indenture" means that certain Indenture, dated as of May 19, 2010, among Borrower, the guarantors party thereto, Wilmington Trust FSB, as trustee, the Indenture Agent and the Senior Noteholders (as the same may from time to time be further amended, restated, supplemented or otherwise modified).

"Settlement Date" means that term as defined in Section 2.2(c)(ii) hereof.

"Solvent" means, with respect to any Person, that (a) the fair value of such Person's assets is in excess of the total amount of such Person's debts, as determined in accordance with the Bankruptcy Code, (b) the present fair saleable value of such Person's assets is in excess of the amount that will be required to pay such Person's debts as such debts become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as such liabilities mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute an unreasonably small amount of capital. As used in this definition, the term "debts" includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent, as determined in accordance with the Bankruptcy Code.

"Standard & Poor's" means Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., and any successor to such company.

"Subordinated" means, as applied to Indebtedness, Indebtedness that shall have been subordinated (by written terms or written agreement being, in either case, in form and substance satisfactory to Agent and the Required Lenders) in favor of the prior payment in full of the Obligations.

"Subsidiary" means (a) a corporation more than fifty percent (50%) of the Voting Power of which is owned, directly or indirectly, by Borrower or by one or more other subsidiaries of Borrower or by Borrower and one or more subsidiaries of Borrower, (b) a partnership, limited liability company or unlimited liability company of which Borrower, one or more other subsidiaries of Borrower or Borrower and one or more subsidiaries of Borrower, directly or indirectly, is a general partner or managing member, as the case may be, or otherwise has an ownership interest greater than fifty percent (50%) of all of the ownership interests in such partnership, limited liability company or unlimited liability company, or (c) any other Person (other than a corporation, partnership, limited liability company or unlimited liability company) in which Borrower, one or more other subsidiaries of Borrower or Borrower and one or more subsidiaries of Borrower, directly or indirectly, has at least a majority interest in the Voting Power or the power to elect or direct the election of a majority of directors or other governing body of such Person.

"Supporting Letter of Credit" shall mean a standby letter of credit, in form and substance satisfactory to Agent and the Fronting Lender, issued by an issuer satisfactory to Agent and the Fronting Lender.

"Swing Line Commitment" means the commitment of the Swing Line Lender to make Swing Loans to Borrower up to the aggregate amount at any time outstanding of Five Million Dollars ($5,000,000).

"Swing Line Exposure" means, at any time, the aggregate principal amount of all Swing Loans outstanding.

"Swing Line Lender" means KeyBank, as holder of the Swing Line Commitment.

"Swing Line Note" means the Swing Line Note, in the form of the attached *Exhibit B* executed and delivered pursuant to Section 2.4(b) hereof.

"Swing Loan" means a loan that shall be denominated in Dollars made to Borrower by the Swing Line Lender under the Swing Line Commitment, in accordance with Section 2.2(c) hereof.

"Swing Loan Maturity Date" means, with respect to any Swing Loan, the earlier of (a) the first Wednesday (or the next Business Day if such Wednesday is not a Business Day) after the date such Swing Loan is made, or (b) the last day of the Commitment Period.

"Taxes" means any and all present or future taxes of any kind, including but not limited to, levies, imposts, duties, surtaxes, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (together with any interest, penalties, fines, additions to taxes or similar liabilities with respect thereto) other than Excluded Taxes.

"Total Commitment Amount" means the principal amount of Twenty-Five Million Dollars ($25,000,000), as such amount may be increased pursuant to Section 2.9(b) hereof, or decreased pursuant to Section 2.9(a) hereof.

"Transfer Effective Date" means, after the most recent Non-Transfer Effective Date, the last day of a sixty (60) consecutive day period during which (a) the Revolving Credit Availability shall have been, at all times during such period, greater than Fifteen Million Dollars ($15,000,000), and (b) no Default or Event of Default shall have occurred at any time during such period.

"U.C.C." means the Uniform Commercial Code, as in effect from time to time in the State of New York.

"U.C.C. Financing Statement" means a financing statement filed or to be filed in accordance with the Uniform Commercial Code, as in effect from time to time, in the relevant state or states.

"Voting Power" means, with respect to any Person, the exclusive ability to control, through the ownership of shares of capital stock, partnership interests, membership interests or otherwise, the election of members of the board of directors or other similar governing body of such Person. The holding of a designated percentage of Voting Power of a Person means the ownership of shares of capital stock, partnership interests, membership interests or other interests of such Person sufficient to control exclusively the election of that percentage of the members of the board of directors or similar governing body of such Person.

"Welfare Plan" means an ERISA Plan that is a "welfare plan" within the meaning of ERISA Section 3(l).

Section 1.2. *Accounting Terms.* Any accounting term not specifically defined in this Article I shall have the meaning ascribed thereto by GAAP. If at any time any change in GAAP (including, without limitation, any conversion to International Financial Reporting Standards) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and Borrower,

Agent or the Required Lenders shall so request, Borrower, Agent and the Required Lenders shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP, provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and Borrower shall provide to Agent reconciliation statements requested by Agent (reconciling the computations of such financial ratios and requirements from the then-current GAAP computations to the computations under GAAP prior to such change) in connection therewith. All financial statements and other information required to be delivered by Borrower to Agent and the Lenders pursuant to Section 5.3 shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 6.1(c), if applicable). Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the historical financial statements of Borrower.

Section 1.3. *Terms Generally.* The foregoing definitions shall be applicable to the singular and plural forms of the foregoing defined terms. Unless otherwise defined in this Article I, terms that are defined in the U.C.C. are used herein as so defined.

ARTICLE II. AMOUNT AND TERMS OF CREDIT

Section 2.1. *Amount and Nature of Credit.*

(a) Subject to the terms and conditions of this Agreement, the Lenders, during the Commitment Period and to the extent hereinafter provided, shall make Loans to Borrower, participate in Swing Loans made by the Swing Line Lender to Borrower, and issue or participate in Letters of Credit at the request of Borrower, in such aggregate amount as Borrower shall request pursuant to the Commitment; provided that in no event shall the aggregate principal amount of all Loans and Letters of Credit outstanding under this Agreement be in excess of the Total Commitment Amount.

(b) Each Lender, for itself and not one for any other, agrees to make Loans, participate in Swing Loans, and issue or participate in Letters of Credit, during the Commitment Period, on such basis that, immediately after the completion of any borrowing by Borrower or the issuance of a Letter of Credit:

(i) the aggregate outstanding principal amount of Loans made by such Lender (other than Swing Loans made by the Swing Line Lender), when combined with such Lender's pro rata share of the Letter of Credit Exposure and the Swing Line Exposure, shall not be in excess of the Maximum Amount for such Lender; and

(ii) the aggregate outstanding principal amount of Loans (other than Swing Loans) made by such Lender shall represent that percentage of the aggregate principal amount then outstanding on all Loans (other than Swing Loans) that shall be such Lender's Commitment Percentage.

Each borrowing (other than Swing Loans which shall be risk participated on a pro rata basis) from the Lenders shall be made pro rata according to the respective Commitment Percentages of the Lenders.

(c) The Loans may be made as Revolving Loans as described in Section 2.2(a) hereof, and as Swing Loans as described in Section 2.2(c) hereof, and Letters of Credit may be issued in accordance with Section 2.2(b) hereof.

Section 2.2. *Revolving Credit Commitment.*

(a) *Revolving Loans.* Subject to the terms and conditions of this Agreement, during the Commitment Period, the Lenders shall make a Revolving Loan or Revolving Loans to Borrower in such amount or amounts as Borrower, through an Authorized Officer, may from time to time request, but not exceeding in aggregate principal amount at any time outstanding hereunder the Revolving Credit Commitment, when such Revolving Loans are combined with the Letter of Credit Exposure and

the Swing Line Exposure. Borrower shall have the option, subject to the terms and conditions set forth herein, to borrow Revolving Loans, maturing on the last day of the Commitment Period, by means of any combination of Base Rate Loans or Eurodollar Loans. Subject to the provisions of this Agreement, Borrower shall be entitled under this Section 2.2(a) to borrow Revolving Loans, repay the same in whole or in part and re-borrow Revolving Loans hereunder at any time and from time to time during the Commitment Period.

(b) *Letters of Credit.*

(i) *Generally.* Subject to the terms and conditions of this Agreement, during the Commitment Period, the Fronting Lender shall, in its own name, on behalf of the Lenders, issue such Letters of Credit for the account of Borrower or a Guarantor of Payment, as Borrower may from time to time request. Borrower shall not request any Letter of Credit (and the Fronting Lender shall not be obligated to issue any Letter of Credit) if, after giving effect thereto, (A) the Letter of Credit Exposure would exceed the Letter of Credit Commitment, or (B) the Revolving Credit Exposure would exceed the Revolving Credit Commitment. The issuance of each Letter of Credit shall confer upon each Lender the benefits and liabilities of a participation consisting of an undivided pro rata interest in the Letter of Credit to the extent of such Lender's Commitment Percentage.

(ii) *Request for Letter of Credit.* Each request for a Letter of Credit shall be delivered to Agent (and to the Fronting Lender, if the Fronting Lender is a Lender other than Agent) by an Authorized Officer not later than 10:00 A.M. (Pacific time) three Business Days prior to the date of the proposed issuance of the Letter of Credit. Each such request shall be in a form acceptable to Agent (and the Fronting Lender, if the Fronting Lender is a Lender other than Agent) and shall specify the face amount thereof, whether such Letter of Credit is a commercial documentary or a standby Letter of Credit, the account party, the beneficiary, the requested date of issuance, amendment, renewal or extension, the expiry date thereof, and the nature of the transaction or obligation to be supported thereby. Concurrently with each such request, Borrower, and any Guarantor of Payment for whose account the Letter of Credit is to be issued, shall execute and deliver to the Fronting Lender an appropriate application and agreement, being in the standard form of the Fronting Lender for such letters of credit, as amended to conform to the provisions of this Agreement if required by Agent. Agent shall give the Fronting Lender and each Lender notice of each such request for a Letter of Credit.

(iii) *Commercial Documentary Letters of Credit Fees.* With respect to each Letter of Credit that shall be a commercial documentary letter of credit and the drafts thereunder, whether issued for the account of Borrower or any Guarantor of Payment, Borrower agrees to (A) pay to Agent, for the pro rata benefit of the Lenders, a non-refundable commission based upon the face amount of such Letter of Credit, which shall be paid quarterly in arrears, on each Regularly Scheduled Payment Date, at a rate per annum equal to the Applicable Margin for Eurodollar Loans (in effect on such date) multiplied by the face amount of such Letter of Credit; and (B) pay to Agent, for the sole benefit of the Fronting Lender, such other issuance, amendment, renewal, negotiation, draw, acceptance, telex, courier, postage and similar transactional fees as are customarily charged by the Fronting Lender in respect of the issuance and administration of similar letters of credit under its fee schedule as in effect from time to time.

(iv) *Standby Letters of Credit Fees.* With respect to each Letter of Credit that shall be a standby letter of credit and the drafts thereunder, if any, whether issued for the account of Borrower or any Guarantor of Payment, Borrower agrees to (A) pay to Agent, for the pro rata benefit of the Lenders, a non-refundable commission based upon the face amount of such Letter of Credit, which shall be paid quarterly in arrears, on each Regularly Scheduled Payment Date, at a rate per annum equal to the Applicable Margin for Eurodollar Loans (in effect on such date)

multiplied by the face amount of such Letter of Credit; (B) pay to Agent, for the sole benefit of the Fronting Lender, an additional Letter of Credit fee, which shall be paid on each date that such Letter of Credit shall be issued, amended or renewed at the rate of fifteen (15.00) basis points of the face amount of such Letter of Credit; and (C) pay to Agent, for the sole benefit of the Fronting Lender, such other issuance, amendment, renewal, negotiation, draw, acceptance, telex, courier, postage and similar transactional fees as are customarily charged by the Fronting Lender in respect of the issuance and administration of similar letters of credit under its fee schedule as in effect from time to time.

(v) *Refunding of Letters of Credit with Revolving Loans.* Whenever a Letter of Credit shall be drawn, Borrower shall reimburse the Fronting Lender for the amount drawn. In the event that the amount drawn shall not have been reimbursed by Borrower within one Business Day of the drawing of such Letter of Credit, at the sole option of Agent (and the Fronting Lender, if the Fronting Lender is a Lender other than Agent), Borrower shall be deemed to have requested a Revolving Loan, subject to the provisions of Sections 2.2(a) and 2.5 hereof (other than the requirement set forth in Section 2.5(d) hereof), in the amount drawn. Such Revolving Loan shall be evidenced by the Revolving Credit Notes (or, if a Lender has not requested a Revolving Credit Note, by the records of Agent and such Lender). Each Lender agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Lender acknowledges and agrees that its obligation to make a Revolving Loan pursuant to Section 2.2(a) hereof when required by this Section 2.2(b)(v) shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to Agent, for the account of the Fronting Lender, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. Borrower irrevocably authorizes and instructs Agent to apply the proceeds of any borrowing pursuant to this Section 2.2(b)(v) to reimburse, in full (other than the Fronting Lender's pro rata share of such borrowing), the Fronting Lender for the amount drawn on such Letter of Credit. Each such Revolving Loan shall be deemed to be a Base Rate Loan unless otherwise requested by and available to Borrower hereunder. Each Lender is hereby authorized to record on its records relating to its Revolving Credit Note (or, if such Lender has not requested a Revolving Credit Note, its records relating to Revolving Loans) such Lender's pro rata share of the amounts paid and not reimbursed on the Letters of Credit.

(vi) *Participation in Letters of Credit.* If, for any reason, Agent (and the Fronting Lender if the Fronting Lender is a Lender other than Agent) shall be unable to or, in the opinion of Agent, it shall be impracticable to, convert any Letter of Credit to a Revolving Loan pursuant to the preceding subsection, Agent (and the Fronting Lender if the Fronting Lender is a Lender other than Agent) shall have the right to request that each Lender fund a participation in the amount due with respect to such Letter of Credit, and Agent shall promptly notify each Lender thereof (by facsimile or telephone (confirmed in writing)). Upon such notice, but without further action, the Fronting Lender hereby agrees to grant to each Lender, and each Lender hereby agrees to acquire from the Fronting Lender, an undivided participation interest in the amount due with respect to such Letter of Credit in an amount equal to such Lender's Commitment Percentage of the principal amount due with respect to such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to Agent, for the account of the Fronting Lender, such Lender's ratable share of the amount due with respect to such Letter of Credit (determined in accordance with such Lender's Commitment Percentage). Each Lender acknowledges and agrees that its obligation to acquire participations in the amount due under any Letter of Credit that is drawn but not reimbursed by Borrower pursuant to this subsection (vi) shall be absolute and unconditional and

shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. Each Lender shall comply with its obligation under this subsection (vi) by wire transfer of immediately available funds, in the same manner as provided in Section 2.5 hereof with respect to Revolving Loans. Each Lender is hereby authorized to record on its records such Lender's pro rata share of the amounts paid and not reimbursed on the Letters of Credit. In addition, each Lender agrees to risk participate in the Existing Letters of Credit as provided in subsection (vii) below.

(vii) *Existing Letters of Credit.* *Schedule 2.2* hereto contains a description of all letters of credit outstanding on, and to continue in effect after, the Closing Date. Each such letter of credit issued by a bank that is or becomes a Lender under this Agreement on the Closing Date (each, an "Existing Letter of Credit") shall constitute a "Letter of Credit" for all purposes of this Agreement, issued, for purposes of Section 2.2(b)(vi) hereof, on the Closing Date. Borrower, Agent and the Lenders hereby agree that, from and after such date, the terms of this Agreement shall apply to the Existing Letters of Credit, superseding any other agreement theretofore applicable to them to the extent inconsistent with the terms hereof. Notwithstanding anything to the contrary in any reimbursement agreement applicable to the Existing Letters of Credit, the fees payable in connection with each Existing Letter of Credit to be shared with the Lenders shall accrue from the Closing Date at the rate provided in Section 2.2(b)(iii) and (iv) hereof.

(viii) *Letters of Credit Outstanding Beyond the Commitment Period.* If any Letter of Credit is outstanding upon the termination of the Commitment, then, upon such termination, Borrower shall deposit with Agent, for the benefit of the Fronting Lender, with respect to all outstanding Letters of Credit, either cash or a Supporting Letter of Credit, which, in each case, is (A) in an amount equal to one hundred five percent (105%) of the undrawn amount of the outstanding Letters of Credit, and (B) free and clear of all rights and claims of third parties. The cash shall be deposited in an escrow account at a financial institution designated by the Fronting Lender. The Fronting Lender shall be entitled to withdraw (with respect to the cash) or draw (with respect to the Supporting Letter of Credit) amounts necessary to reimburse the Fronting Lender for payments to be made under the Letters of Credit and any fees and expenses associated with such Letters of Credit, or incurred pursuant to the reimbursement agreements with respect to such Letters of Credit. Borrower shall also execute such documentation as Agent or the Fronting Lender may reasonably require in connection with the survival of the Letters of Credit beyond the Commitment or this Agreement. After expiration of all undrawn Letters of Credit, the Supporting Letter of Credit or the remainder of the cash, as the case may be, shall promptly be returned to Borrower.

(ix) *Requests for Letters of Credit When One or More Lenders are Affected Lenders.* No Letter of Credit shall be requested or issued hereunder if any Lender is at such time an Affected Lender hereunder, unless Agent (and the Fronting Lender) has entered into satisfactory (to Agent) arrangements (including, without limitation, the posting of cash collateral) with Borrower or such Affected Lender to eliminate or mitigate the reimbursement risk with respect to such Affected Lender.

(x) *Letters of Credit Issued and Outstanding When One or More Lenders are Affected Lenders.* With respect to any Letters of Credit that have been issued and are outstanding at the time any Lender is an Affected Lender, Agent (and the Fronting Lender) shall have the right to request that Borrower or such Affected Lender cash collateralize, in form and substance satisfactory to Agent (and the Fronting Lender), such Letters of Credit so as to eliminate or mitigate the reimbursement risk with respect to such Affected Lender.

(c) *Swing Loans.*

(i) *Generally*. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Swing Line Lender shall make a Swing Loan or Swing Loans to Borrower in such amount or amounts as Borrower, through an Authorized Officer, may from time to time request; provided that Borrower shall not request any Swing Loan if, after giving effect thereto, (A) the Revolving Credit Exposure would exceed the Revolving Credit Commitment, or (B) the Swing Line Exposure would exceed the Swing Line Commitment. Each Swing Loan shall be due and payable on the Swing Loan Maturity Date applicable thereto.

(ii) *Refunding of Swing Loans*. As often as Agent, in its sole discretion deems appropriate, but in no event later than 10:00 A.M. (Pacific time) on each Wednesday (or the next Business Day if such Wednesday is not a Business Day) (each a "Settlement Date"), the Swing Line Lender shall require (and the Lenders and Borrower agree that the Swing Line Lender shall have the right, in its sole discretion, to require) that the then outstanding Swing Loans be refinanced as a Revolving Loan. Such Revolving Loan shall be a Base Rate Loan unless otherwise requested by and available to Borrower hereunder. Upon receipt of such notice by Borrower and the Lenders, Borrower shall be deemed, on such day, to have requested a Revolving Loan in the principal amount of the Swing Loan in accordance with Sections 2.2(a) and 2.5 hereof (other than the requirement set forth in Section 2.5(d) hereof). Such Revolving Loan shall be evidenced by the Revolving Credit Notes (or, if a Lender has not requested a Revolving Credit Note, by the records of Agent and such Lender). Each Lender agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Lender acknowledges and agrees that such Lender's obligation to make a Revolving Loan pursuant to Section 2.2(a) hereof when required by this Section 2.2(c)(ii) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to Agent, for the account of the Swing Line Lender, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. Borrower irrevocably authorizes and instructs Agent to apply the proceeds of any borrowing pursuant to this Section 2.2(c)(ii) to repay in full such Swing Loan. Each Lender is hereby authorized to record on its records relating to its Revolving Credit Note (or, if such Lender has not requested a Revolving Credit Note, its records relating to Revolving Loans) such Lender's pro rata share of the amounts paid to refund such Swing Loan.

(iii) *Participation in Swing Loans*. If, for any reason, Agent is unable to or, in the opinion of Agent, it is impracticable to, convert any Swing Loan to a Revolving Loan pursuant to the preceding Section 2.2(c)(ii), then on any day that a Swing Loan is outstanding (whether before or after the maturity thereof), Agent shall have the right to request that each Lender fund a participation in such Swing Loan, and Agent shall promptly notify each Lender thereof (by facsimile or telephone (confirmed in writing)). Upon such notice, but without further action, the Swing Line Lender hereby agrees to grant to each Lender, and each Lender hereby agrees to acquire from the Swing Line Lender, an undivided participation interest in the right to share in the payment of such Swing Loan in an amount equal to such Lender's Commitment Percentage of the principal amount of such Swing Loan. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to Agent, for the benefit of the Swing Line Lender, such Lender's ratable share of such Swing Loan (determined in accordance with such Lender's Commitment Percentage). Each Lender acknowledges and agrees that its obligation to acquire participations in Swing Loans pursuant to this Section 2.2(c)(iii) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset,

abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not the Revolving Credit Commitment shall have been reduced or terminated. Each Lender shall comply with its obligation under this Section 2.2(c)(iii) by wire transfer of immediately available funds, in the same manner as provided in Section 2.5 hereof with respect to Revolving Loans to be made by such Lender.

(iv) *Requests for Swing Loan When One or More Lenders are Affected Lenders*. No Swing Loan shall be requested or issued hereunder if any Lender is at such time an Affected Lender hereunder, unless Agent has entered into satisfactory (to Agent) arrangements (including, without limitation, the posting of cash collateral) with Borrower or such Affected Lender to eliminate or mitigate the reimbursement risk with respect to such Affected Lender.

(v) *Swing Loans Outstanding When One or More Lenders are Affected Lenders*. With respect to any Swing Loans that are outstanding at the time any Lender is an Affected Lender, Agent shall have the right to request that Borrower or such Affected Lender cash collateralize, in form and substance satisfactory to Agent, such Swing Loans so as to eliminate or mitigate the reimbursement risk with respect to such Affected Lender.

Section 2.3. *Interest.*

(a) *Revolving Loans.*

(i) *Base Rate Loan*. Borrower shall pay interest on the unpaid principal amount of a Base Rate Loan outstanding from time to time from the date thereof until paid at the Derived Base Rate from time to time in effect. Interest on such Base Rate Loan shall be payable, commencing June 30, 2010, and continuing on each Regularly Scheduled Payment Date thereafter and at the maturity thereof.

(ii) *Eurodollar Loans*. Borrower shall pay interest on the unpaid principal amount of each Eurodollar Loan outstanding from time to time, fixed in advance on the first day of the Interest Period applicable thereto through the last day of the Interest Period applicable thereto (but subject to changes in the Applicable Margin for Eurodollar Loans), at the Derived Eurodollar Rate. Interest on such Eurodollar Loan shall be payable on each Interest Adjustment Date with respect to an Interest Period (provided that if an Interest Period shall exceed three months, the interest must be paid every three months, commencing three months from the beginning of such Interest Period).

(b) *Swing Loans.* Borrower shall pay interest to Agent, for the sole benefit of the Swing Line Lender (and any Lender that shall have purchased a participation in such Swing Loan), on the unpaid principal amount of each Swing Loan outstanding from time to time, from the date thereof until paid at the Derived Base Rate from time to time in effect. Interest on Swing Loans shall be payable on each Regularly Scheduled Payment. Each Swing Loan shall bear interest for a minimum of one day.

(c) *Default Rate.* Anything herein to the contrary notwithstanding, if an Event of Default shall occur, upon the election of Agent or the Required Lenders (i) the principal of each Loan and the unpaid interest thereon shall bear interest, until paid, at the Default Rate, (ii) the fee for the aggregate undrawn amount of all issued and outstanding Letters of Credit shall be increased by two percent (2%) in excess of the rate otherwise applicable thereto, and (iii) in the case of any other amount not paid when due from Borrower hereunder or under any other Loan Document, such amount shall bear interest at the Default Rate; provided that, during an Event of Default under Section 8.12 hereof, the applicable Default Rate shall apply without any election or action on the part of Agent or any Lender.

(d) *Limitation on Interest.* In no event shall the rate of interest hereunder exceed the maximum rate allowable by law. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of

non-usurious interest permitted by applicable law (the "Maximum Rate"). If Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to Borrower. In determining whether the interest contracted for, charged, or received by Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

Section 2.4. *Evidence of Indebtedness.*

(a) *Revolving Loans.* Upon the request of a Lender, to evidence the obligation of Borrower to repay the Revolving Loans made by such Lender and to pay interest thereon, Borrower shall execute a Revolving Credit Note, payable to the order of such Lender in the principal amount equal to its Commitment Percentage of the Revolving Amount, or, if less, the aggregate unpaid principal amount of Revolving Loans made by such Lender; provided that the failure of a Lender to request a Revolving Credit Note shall in no way detract from Borrower's obligations to such Lender hereunder.

(b) *Swing Loans.* Upon the request of the Swing Line Lender, to evidence the obligation of Borrower to repay the Swing Loans and to pay interest thereon, Borrower shall execute a Swing Line Note, payable to the order of the Swing Line Lender in the principal amount of the Swing Line Commitment, or, if less, the aggregate unpaid principal amount of Swing Loans made by the Swing Line Lender; provided that the failure of the Swing Line Lender to request a Swing Line Note shall in no way detract from Borrower's obligations to the Swing Line Lender hereunder.

Section 2.5. *Notice of Credit Event; Funding of Loans.*

(a) *Notice of Credit Event.* Borrower, through an Authorized Officer, shall provide to Agent a Notice of Loan prior to (i) 10:00 A.M. (Pacific time) on the proposed date of borrowing of, or conversion of a Loan to, a Base Rate Loan, (ii) 10:00 A.M. (Pacific time) three Business Days prior to the proposed date of borrowing of, continuation of, or conversion of a Loan to, a Eurodollar Loan, and (iii) 10:00 A.M. (Pacific time) on the proposed date of borrowing of any Swing Loan, or such other time to which the Swing Line Lender may agree; provided that, if a request for a Base Rate Loan shall not be on a Settlement Date, such request shall be deemed to be a request for a Swing Loan (unless Agent shall elect to have the Lenders fund such request with a Revolving Loan that meets the requirements of this Section 2.5), so long as the Swing Line Exposure shall not exceed the Swing Line Commitment. Borrower shall comply with the notice provisions set forth in Section 2.2(b) hereof with respect to Letters of Credit.

(b) *Funding of Loans.* Agent shall notify each Lender of the date, amount and Interest Period (if applicable) promptly upon the receipt of a Notice of Loan (other than for a Swing Loan, or a Revolving Loan to be funded as a Swing Loan), and, in any event, by 11:00 A.M. (Pacific time) on the date such Notice of Loan is received. On the date that the Credit Event set forth in such Notice of Loan is to occur, each such Lender shall provide to Agent, not later than 12:00 P.M. (Pacific time), the amount in Dollars, in federal or other immediately available funds, required of it. If Agent shall elect to advance the proceeds of such Loan prior to receiving funds from such Lender, Agent shall have the right, upon prior notice to Borrower, to debit any account of Borrower or otherwise receive such amount from Borrower, promptly after demand, in the event that such Lender shall fail to reimburse Agent in accordance with this subsection. Agent shall also have the right to receive interest from such Lender at the Federal Funds Effective Rate in the event that such Lender shall fail to provide its portion of the Loan on the date requested and Agent shall elect to provide such funds.

(c) *Conversion and Continuation of Loans.*

(i) At the request of Borrower to Agent, subject to the notice and other provisions of this Section 2.5, the Lenders shall convert a Base Rate Loan to one or more Eurodollar Loans at any time and shall convert a Eurodollar Loan to a Base Rate Loan on any Interest Adjustment Date applicable thereto. Swing Loans may be converted by the Swing Line Lender to Revolving Loans in accordance with Section 2.2(c)(ii) hereof.

(ii) At the request of Borrower to Agent, subject to the notice and other provisions of this Section 2.5, the Lenders shall continue one or more Eurodollar Loans as of the end of the applicable Interest Period as a new Eurodollar Loan with a new Interest Period.

(d) *Minimum Amount.* Each request for:

(i) a Base Rate Loan shall be in an amount of not less than One Million Dollars ($1,000,000), increased in increments of One Hundred Thousand Dollars ($100,000); provided that, during a Non-Transfer Period, there shall be no minimum amount for Base Rate Loans;

(ii) a Eurodollar Loan shall be in an amount of not less than One Million Dollars ($1,000,000), increased in increments of One Hundred Thousand Dollars ($100,000); and

(iii) a Swing Loan may be in any amount as may be agreed to by the Swing Line Lender.

(e) *Interest Periods.* Borrower shall not request that Eurodollar Loans be outstanding for more than five different Interest Periods at the same time.

(f) *Advancing of Non Pro-Rata Revolving Loans.* Notwithstanding anything in this Agreement to the contrary, if Borrower requests a Revolving Loan pursuant to Section 2.5(a) hereof (and all conditions precedent set forth in Section 4.1 hereof are met) at a time when one or more Lenders are Defaulting Lenders, Agent shall have the option, in its sole discretion, to require the non-Defaulting Lenders to honor such request by making a non pro-rata Revolving Loan to Borrower in an amount equal to (i) the amount requested by Borrower, minus (ii) the portions of such Revolving Loan that should have been made by such Defaulting Lenders. For purposes of such Revolving Loans, the Lenders that are making such Revolving Loan shall do so in proportion to their Commitment Percentages of the amount requested by Borrower.

Section 2.6. *Payment on Loans and Other Obligations.*

(a) *Payments Generally.* Each payment made hereunder by a Credit Party shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever.

(b) *Payments in Dollars from Borrower.* All payments (including prepayments) to Agent of the principal of or interest on each Loan or other payment, including but not limited to principal, interest, fees or any other amount owed by Borrower under this Agreement, shall be made in Dollars. All payments described in this subsection (b shall be remitted to Agent, at the address of Agent for notices referred to in Section 11.4 hereof for the account of the Lenders (or the Fronting Lender or the Swing Line Lender, as appropriate) not later than 10:00 A.M. (Pacific time) on the due date thereof in immediately available funds. Any such payments received by Agent (or the Fronting Lender or the Swing Line Lender) after 10:00 A.M. (Pacific time) shall be deemed to have been made and received on the next Business Day.

(c) *Payments to Lenders.* On each Settlement Date (and more frequently if deemed appropriate by Agent), Agent shall distribute to each Lender its ratable share, if any, of the amount of principal payments received by Agent for the account of such Lender. With respect to interest, commitment fees and other payments received by Agent from Borrower, Agent shall promptly distribute to each Lender its ratable share, if any, of the amount of interest, commitment fee or other payment received by Agent for the account of such Lender. Each Lender shall record any principal, interest or other payment, the

principal amounts of Base Rate Loans, Eurodollar Loans, Swing Loans and Letters of Credit, all prepayments and the applicable dates, including Interest Periods, with respect to the Loans made, and payments received by such Lender, by such method as such Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of Borrower under this Agreement or any Note. The aggregate unpaid amount of Loans, types of Loans, Interest Periods and similar information with respect to the Loans and Letters of Credit set forth on the records of Agent shall be rebuttably presumptive evidence with respect to such information, including the amounts of principal, interest and fees owing to each Lender.

(d) *Timing of Payments.* Whenever any payment to be made hereunder, including, without limitation, any payment to be made on any Loan, shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next Business Day and such extension of time shall in each case be included in the computation of the interest payable on such Loan; provided that, with respect to a Eurodollar Loan, if the next Business Day shall fall in the succeeding calendar month, such payment shall be made on the preceding Business Day and the relevant Interest Period shall be adjusted accordingly.

(e) *Affected Lender.* To the extent that Agent receives any payments or other amounts for the account of an Affected Lender, at the discretion of Agent, such Affected Lender shall be deemed to have requested that Agent use such payment or other amount (or any portion thereof, at the discretion of Agent) first, to cash collateralize its unfunded risk participation in Swing Loans and the Letters of Credit pursuant to Sections 2.2(b)(vi), 2.2(c)(iii), and 2.5(b) hereof, and, with respect to any Defaulting Lender, second, to fulfill its obligations to make Loans.

(f) *Payment of Non Pro-Rata Revolving Loans.* Notwithstanding anything in this Agreement to the contrary, at the sole discretion of Agent, in order to pay Revolving Loans that were not advanced pro rata by the Lenders, any payment of any Loan may first be applied to such Revolving Loans that were not advanced pro rata.

Section 2.7. *Prepayment.*

(a) *Right to Prepay.*

(i) Borrower shall have the right at any time or from time to time to prepay, on a pro rata basis for all of the Lenders (except with respect to Swing Loans, which shall be paid to the Swing Line Lender and any Lender that has funded a participation in such Swing Loan), all or any part of the principal amount of the Loans. Such payment shall include interest accrued on the amount so prepaid to the date of such prepayment and any amount payable under Article III hereof with respect to the amount being prepaid. Prepayments of Base Rate Loans shall be without any premium or penalty.

(ii) Borrower shall have the right, at any time or from time to time, to prepay, for the benefit of the Swing Line Lender (and any Lender that has funded a participation in such Swing Loan), all or any part of the principal amount of the Swing Loans then outstanding, as designated by Borrower, plus interest accrued on the amount so prepaid to the date of such prepayment.

(iii) Notwithstanding anything in this Section 2.7 or otherwise to the contrary, at the discretion of Agent, in order to prepay Revolving Loans that were not advanced pro rata by all of the Lenders, any prepayment of a Loan shall first be applied to Revolving Loans made by the Lenders during any period in which a Defaulting Lender or Insolvent Lender shall exist.

(b) *Notice of Prepayment.* Borrower shall give Agent irrevocable written notice of prepayment of a Base Rate Loan or Swing Loan by no later than 10:00 A.M. (Pacific time) one Business Day before the Business Day on which such prepayment is to be made and written notice of the prepayment of any Eurodollar Loan not later than 10:00 A.M. (Pacific time) three Business Days before the Business Day

on which such prepayment is to be made. Swing Loans may be prepaid without advance notice if prepaid through a "sweep" cash management arrangement with Agent.

(c) *Minimum Amount.* Each prepayment of a Eurodollar Loan shall be in the principal amount of not less than the lesser of One Million Dollars ($1,000,000), or, with respect to a Swing Loan, the principal balance of such Swing Loan, except in the case of a mandatory payment pursuant to Section 2.11 or Article III hereof.

Section 2.8. *Commitment and Other Fees.*

(a) *Commitment Fee.* Borrower shall pay to Agent, for the ratable account of the Lenders, as a consideration for the Revolving Credit Commitment, a commitment fee from the Closing Date to and including the last day of the Commitment Period, payable quarterly, at a rate per annum equal to (i) the Applicable Commitment Fee Rate in effect on the payment date, multiplied by (ii) the average daily Revolving Amount in effect during such quarter, minus (B) the average daily Revolving Credit Exposure (exclusive of the Swing Line Exposure) during such quarter. The commitment fee shall be payable in arrears, on June 30, 2010 and continuing on each Regularly Scheduled Payment Date thereafter, and on the last day of the Commitment Period.

(b) *Agent Fee.* Borrower shall pay to Agent, for its sole benefit, the fees set forth in the Agent Fee Letter.

(c) *Collateral Audit and Appraisal Fees.* Borrower shall reimburse Agent, for its sole benefit, for all costs and expenses relating to any collateral assessment, that may be conducted from time to time by or on behalf of Agent, the scope and frequency of which shall be in Agent's sole discretion; provided that, absent an Event of Default, Borrower need not reimburse Agent for (i) more than three collateral field audits during a calendar year, or (ii) one Inventory appraisal during a calendar year.

(d) *Authorization to Debit Account.* Borrower hereby agrees that Agent has the right to debit from any Deposit Account of Borrower or any other Credit Party, amounts owing to Agent and the Lenders by Borrower under this Agreement and the Loan Documents for payment of fees, expenses and other amounts incurred or owing in connection therewith; provided that, so long as no Default or Event of Default shall then exist, (i) Borrower shall have the right to approve any legal fees prior to the payment of any such legal fees, and (ii) Agent shall provide Borrower with three days advance notice (which may be by email or telephone to a Financial Officer) prior to debiting any Deposit Account of a Credit Party.

Section 2.9. *Modifications to Commitment.*

(a) *Optional Reduction of Revolving Credit Commitment.* Borrower may at any time and from time to time permanently reduce in whole or ratably in part the Revolving Amount to an amount not less than the then existing Revolving Credit Exposure, by giving Agent not fewer than five Business Days' (or thirty (30) days if the Total Commitment Amount is to be reduced or terminated in its entirety) written notice of such reduction, provided that any such partial reduction shall be in an aggregate amount, for all of the Lenders, of not less than Five Million Dollars ($5,000,000), increased in increments of One Million Dollars ($1,000,000). Agent shall promptly notify each Lender of the date of each such reduction and such Lender's proportionate share thereof. After each such partial reduction, the commitment fees payable hereunder shall be calculated upon the Revolving Amount as so reduced. If Borrower reduces in whole the Commitment, on the effective date of such reduction (Borrower having prepaid in full the unpaid principal balance, if any, of the Loans, together with all interest (if any) and commitment and other fees accrued and unpaid with respect thereto, and provided that no Letter of Credit Exposure or Swing Line Exposure shall exist), all of the Revolving Credit Notes shall be delivered to Agent marked "Canceled" and Agent shall redeliver such Revolving Credit Notes to Borrower. Any partial reduction in the Revolving Amount shall be effective during the

remainder of the Commitment Period. Upon each decrease of the Revolving Amount, the Total Commitment Amount shall be proportionally decreased.

(b) *Increase in Commitment.* At any time during the Commitment Increase Period, Borrower may request that Agent increase the Revolving Amount from the Closing Revolving Amount up to an amount that shall not exceed the Maximum Revolving Amount. Each such request for an increase shall be in an amount of at least Ten Million Dollars ($10,000,000), increased by increments of One Million Dollars ($1,000,000), and, if Agent agrees to such increase in the Revolving Amount, may be made by either (i) increasing, for one or more Lenders, with their prior written consent, their respective Revolving Credit Commitments, or (ii) including one or more Additional Lenders, each with a new commitment under the Revolving Credit Commitment, as a party to this Agreement (collectively, the "Additional Commitments"). During the Commitment Increase Period, all of the Lenders agree that Agent, in its sole discretion, may permit one or more Additional Commitments upon satisfaction of the following requirements: (A) each Additional Lender, if any, shall execute an Additional Lender Assumption Agreement, (B) Agent shall provide to each Lender a revised *Schedule 1* to this Agreement, including revised Commitment Percentages for each of the Lenders, if appropriate, at least three Business Days prior to the date of the effectiveness of such Additional Commitments (each an "Additional Lender Assumption Effective Date"), (C) Borrower shall execute and deliver to Agent and the Lenders such replacement or additional Revolving Credit Notes as shall be required by Agent, and (D) Borrower shall, on the Additional Lender Assumption Effective Date, deliver to Agent, for the benefit of the Lenders, an opinion of counsel, in form and substance satisfactory to Agent, indicating that the Obligations incurred pursuant to the Additional Commitments are permitted to be incurred, and permitted to be secured, pursuant to the Senior Notes Documents. The Lenders hereby authorize Agent to execute each Additional Lender Assumption Agreement on behalf of the Lenders. On each Additional Lender Assumption Effective Date, the Lenders shall make adjustments among themselves with respect to the Revolving Loans then outstanding and amounts of principal, interest, commitment fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of Agent, in order to reallocate among such Lenders such outstanding amounts, based on the revised Commitment Percentages and to otherwise carry out fully the intent and terms of this Section 2.9(b) (and Borrower shall pay to the Lenders any amounts that would be payable pursuant to Section 3.3 hereof if such adjustments among the Lenders would cause a prepayment of one or more Eurodollar Loans). In connection therewith, it is understood and agreed that the Maximum Amount of any Lender will not be increased (or decreased except pursuant to Section 2.9(a) hereof) without the prior written consent of such Lender. Borrower shall not request any increase in the Commitment pursuant to this Section 2.9(b) if a Default or an Event of Default shall then exist, or immediately after giving effect to any such increase would exist. Upon each increase of the Revolving Amount, the Total Commitment Amount shall be proportionally increased.

Section 2.10. *Computation of Interest and Fees.* With the exception of Base Rate Loans, interest on Loans, Letter of Credit fees, Related Expenses and commitment and other fees and charges hereunder shall be computed on the basis of a year having three hundred sixty (360) days and calculated for the actual number of days elapsed. With respect to Base Rate Loans, interest shall be computed on the basis of a year having three hundred sixty-five (365) days or three hundred sixty-six (366) days, as the case may be, and calculated for the actual number of days elapsed.

Section 2.11. *Mandatory Payments.*

(a) *Revolving Credit Exposure.* If, at any time, the Revolving Credit Exposure shall exceed the Revolving Credit Commitment, Borrower shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Revolving Loans sufficient to bring the Revolving Credit Exposure within the Revolving Credit Commitment.

(b) *Swing Line Exposure.* If, at any time, the Swing Line Exposure shall exceed the Swing Line Commitment, Borrower shall, as promptly as practicable, but in no event later than the next Business Day, pay an aggregate principal amount of the Swing Loans sufficient to bring the Swing Line Exposure within the Swing Line Commitment.

(c) *Application of Mandatory Payments.* Unless otherwise designated by Borrower, each prepayment pursuant to Section 2.11(a) hereof shall be applied in the following order (i) first, on a pro rata basis for the Lenders, to outstanding Base Rate Loans, and (ii) second, on a pro rata basis for the Lenders, to outstanding Eurodollar Loans; provided that, if the outstanding principal amount of any Eurodollar Loan shall be reduced to an amount less than the minimum amount set forth in Section 2.5(d) hereof as a result of such prepayment, then such Eurodollar Loan shall be converted into a Base Rate Loan on the date of such prepayment. Any prepayment of a Eurodollar Loan pursuant to this Section 2.11 shall be subject to the prepayment provisions set forth in Article III hereof.

Section 2.12. *Establishment of Reserves.* Agent, on behalf of the Lenders, shall have the right, from time to time, in the good faith exercise of its reasonable credit judgment (consistent with the asset-based nature of this credit), to establish Reserves in such amounts and with respect to such matters as Agent deems necessary or appropriate, and to increase or decrease such Reserves. In exercising such reasonable credit judgment, Agent may take into account factors that (a) will or could reasonably be expected to adversely affect the value of any Collateral, the enforceability or priority of the Liens of Agent or the amount that Agent, for the benefit of the Lenders, would be likely to receive in the liquidation of such Collateral, or (b) may demonstrate that any collateral report or financial information concerning the Credit Parties is incomplete, inaccurate or misleading in any material respect. In exercising such reasonable credit judgment, Reserves may be established against anticipated obligations, contingencies or conditions affecting the Companies, including, without limitation, (i) tax liabilities and other obligations owing to Governmental Authorities, (ii) asserted litigation liabilities, (iii) anticipated remediation for compliance with Environmental Laws, and (iv) obligations owing to any lessor of real property, any warehouseman, any processor or any mortgagor on third party mortgaged sites. Reserves may also be established with respect to the dilution of accounts receivable, as a result of inventory appraisals and other results of field examinations.

Section 2.13. *Addition of Borrowing Base Company.* At the request of Borrower and at the sole discretion of Agent, a Domestic Subsidiary may become a Borrowing Base Company hereunder, provided that, in addition to Agent's consent, (a) such Domestic Subsidiary shall have complied with all requirements of Section 5.20 hereof, (b) the assets of such Domestic Subsidiary shall have been appraised and otherwise evaluated for borrowing base eligibility purposes in a manner and by appraisers satisfactory to Agent, and (c) such Domestic Subsidiary shall have provided to Agent such corporate governance and authorization documents and an opinion of counsel and any other documents and items as may be deemed necessary or advisable by Agent, all of the foregoing to be in form and substance satisfactory to Agent.

Section 2.14. *Record of Advances; Application of Collections.*

(a) *Maintenance of Record of Advances.* Agent, on behalf of the Lenders, shall maintain records in respect of the Credit Parties that shall reflect (i) the aggregate outstanding principal amount of Revolving Loans and accrued interest, (ii) the unreimbursed Letter of Credit drawings, (iii) the aggregate outstanding principal amount of Swing Loans and accrued interest, and (iv) all other Obligations that shall have become payable hereunder (the "Advance Record"). Each entry by Agent in the Advance Record shall be, to the extent permitted by applicable law and absent manifest error, prima facie evidence of the data entered. Such entries by Agent shall not be a condition to Borrower's obligation to repay the Obligations.

(b) *Charges, Credits and Reports.* Borrower hereby authorizes Agent, on behalf of the Lenders, to charge the Advance Record with all Revolving Loans, Swing Loans and all other Obligations under this Agreement or any other Loan Document. The Advance Record will be credited in accordance with the provisions of this Agreement with all payments received by Agent directly from Borrower or any other Credit Party or otherwise for the account of Borrower or any other Credit Party pursuant to this Agreement. Agent shall send Borrower monthly statements in accordance with Agent's standard procedures. Any and all such periodic or other statements or reconciliations of the Advance Record shall be final, binding and conclusive upon Borrower and the other Credit Parties in all respects, absent manifest error, unless Agent receives specific written objection thereto from Borrower within thirty (30) Business Days after such statements or reconciliation shall have been sent to Borrower.

(c) *Application of Specific Payments.* Except for the crediting to the Advance Record of Collections deposited to one or more Cash Collateral Accounts as provided below, Borrower shall make all other payments to be made by Borrower under this Agreement with respect to the Obligations not later than 11:00 A.M. (Pacific time) on the day when due, without setoff, counterclaim, defense or deduction of any kind. Payments received after 11:00 A.M. (Pacific time) shall be deemed to have been received on the next Business Day. Prior to the occurrence of an Event of Default, Borrower may specify to Agent the Obligations to which such payment is to be applied. If Borrower does not specify an application for such payment or if an Event of Default has occurred, Agent shall apply such payment in its discretion.

(d) *Crediting of Collections During a Non-Transfer Period.* For the purpose of calculating interest on the Obligations and determining the aggregate amount of Loans outstanding during a Non-Transfer Period, the amount of the Revolving Credit Exposure and the availability for additional Revolving Loans and Letters of Credit, all Collections deposited into a Cash Collateral Account shall be credited to the account of Borrower (as reflected in the Advance Record) on the next Business Day after the Business Day on which Agent has received notice of the deposit of the proceeds of such Collections into such Cash Collateral Account (including automated clearinghouse and federal wire transfers); provided that, immediately available funds shall be applied on the same Business Day. Such Collections shall be credited as follows: (i) first to any costs and expenses due under this Agreement, (ii) second to Swing Loans, (iii) third to Base Rate Loans, and (iv) fourth to Eurodollar Loans. If such Collections made on a date other than a Settlement Date are in excess of the aggregate amount of Swing Loans outstanding, then such Collections may, in the discretion of Agent depending on the amount of such payment, be credited towards the Swing Line Lender's pro rata share of Revolving Loans outstanding until such payments can be reallocated among the Lenders on the next Settlement Date. From time to time, upon advance written notice to Borrower, Agent may adopt such additional or modified regulations and procedures as Agent may deem reasonable and appropriate with respect to the operation of the Cash Collateral Accounts and not substantially inconsistent with the terms of this Agreement.

(e) *Application of Deposits in Cash Collateral Accounts During a Non-Transfer Period.* Deposits of Collections to the Cash Collateral Accounts during a Non-Transfer Period shall be credited to the Advance Record of Borrower on a daily basis in accordance with subsection (d) above, and thereby reduce the Swing Line Exposure or the Revolving Credit Exposure (other than in respect of the undrawn amount of any Letter of Credit outstanding) as Agent may choose, in its sole discretion; provided that, prior to the occurrence of an Event of Default, Agent will use reasonable efforts to avoid applications of payments that would cause prepayment of a Eurodollar Loan prior to the expiration of the applicable Interest Period. Upon payment in full of the Secured Obligations and the termination of the Commitment, deposits of Collections to the Cash Collateral Accounts shall be credited by Agent as directed by Borrower.

Section 2.15. *Protective Advances.* Agent may, in its reasonable discretion, make Protective Advances without the consent of the Lenders, so long as after giving effect to such Protective

Advances, the aggregate amount of outstanding Protective Advances shall not exceed five percent (5%) of the Total Commitment Amount. A Protective Advance is for the account of Borrower and shall constitute Obligations. Any such Protective Advances incurred after the occurrence and during the continuance of an Event of Default shall be deemed to have been made in connection with the exercise of remedies by Agent and shall have the priority set forth in Section 9.8 hereof as expenses of Agent incurred in connection with the exercise of remedies under this Agreement or the other Loan Documents. To the extent Agent makes Protective Advances, Borrower hereby agrees to promptly reimburse Agent, on demand, for all such Protective Advances. The advance of any such Protective Advances on any one occasion shall not obligate Agent to advance any Protective Advances on any other occasion and nothing in this Section 2.15 shall be construed as excusing any Company from the performance of any covenant or other agreement of such Company with respect to any of the foregoing matters as set forth in this Agreement or in any of the other Loan Documents. The Lenders shall reimburse Agent for any Protective Advances to the extent that Agent does not receive reimbursement pursuant to any other provision of this Agreement, and, at the sole option of Agent, Agent may reimburse itself for Protective Advances through the making of a Swing Loan or by requesting that the Lenders fund a Revolving Loan, subject to no conditions precedent whatsoever (but, for clarification, subject to the first sentence hereof) other than notice to the Lenders in accordance with Section 2.5(a) hereof.

ARTICLE III. ADDITIONAL PROVISIONS RELATING TO EURODOLLAR LOANS; INCREASED CAPITAL; TAXES

Section 3.1. *Requirements of Law.*

(a) If, after the Closing Date, (i) the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by a Governmental Authority, or (ii) the compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(A) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Taxes and Excluded Taxes which are governed by Section 3.2 hereof);

(B) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate; or

(C) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Borrower shall pay to such Lender, promptly after receipt of a written request therefor, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection (a), such Lender shall promptly notify Borrower (with a copy to Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that, after the Closing Date, the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof by a Governmental Authority or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force

of law) from any Governmental Authority shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder, or under or in respect of any Letter of Credit, to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration the policies of such Lender or such corporation with respect to capital adequacy), then from time to time, upon submission by such Lender to Borrower (with a copy to Agent) of a written request therefor (which shall include the method for calculating such amount), Borrower shall promptly pay or cause to be paid to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section 3.1 submitted by any Lender to Borrower (with a copy to Agent) shall be conclusive absent manifest error. In determining any such additional amounts, such Lender may use any method of averaging and attribution that it (in its sole discretion) shall deem applicable. The obligations of Borrower pursuant to this Section 3.1 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 3.2. *Taxes.*

(a) All payments made by any Credit Party under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of any Taxes or Other Taxes. If any Taxes or Other Taxes are required to be deducted or withheld from any amounts payable to Agent or any Lender hereunder, the amounts so payable to Agent or such Lender shall be increased to the extent necessary to yield to Agent or such Lender (after deducting, withholding and payment of all Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in the Loan Documents.

(b) Whenever any Taxes or Other Taxes are required to be withheld and paid by a Credit Party, such Credit Party shall timely withhold and pay such taxes to the relevant Governmental Authorities. As promptly as possible thereafter, Borrower shall send to Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by such Credit Party showing payment thereof or other evidence of payment reasonably acceptable to Agent or such Lender. If such Credit Party shall fail to pay any Taxes or Other Taxes when due to the appropriate Governmental Authority or fails to remit to Agent the required receipts or other required documentary evidence, such Credit Party and Borrower shall indemnify Agent and the appropriate Lenders on demand for any incremental Taxes or Other Taxes paid or payable by Agent or such Lender as a result of any such failure.

(c) Each Lender that is not (i) a citizen or resident of the United States of America, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States of America (or any jurisdiction thereof), or (iii) an estate or trust that is subject to federal income taxation regardless of the source of its income (any such Person, a "Non-U.S. Lender") shall deliver to Borrower and Agent two copies of either U.S. Internal Revenue Service Form W-8BEN, Form W-8IMY or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement with respect to such interest and two copies of a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by Credit Parties under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or such other Loan Document. In addition, each Non-U.S. Lender shall deliver such forms or appropriate replacements promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify Borrower at any time

it determines that such Lender is no longer in a position to provide any previously delivered certificate to Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this subsection (c), a Non-U.S. Lender shall not be required to deliver any form pursuant to this subsection (c) that such Non-U.S. Lender is not legally able to deliver.

(d) The agreements in this Section 3.2 shall survive the termination of the Loan Documents and the payment of the Loans and all other amounts payable hereunder.

Section 3.3. *Funding Losses.* Borrower agrees to indemnify each Lender, promptly after receipt of a written request therefor, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by Borrower in making any prepayment of or conversion from Eurodollar Loans after Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of a Eurodollar Loan on a day that is not the last day of an Interest Period applicable thereto, or (d) any conversion of a Eurodollar Loan to a Base Rate Loan on a day that is not the last day of an Interest Period applicable thereto. Such indemnification shall be in an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amounts so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the appropriate London interbank market, along with any administration fee charged by such Lender. A certificate as to any amounts payable pursuant to this Section 3.3 submitted to Borrower (with a copy to Agent) by any Lender shall be conclusive absent manifest error. The obligations of Borrower pursuant to this Section 3.3 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 3.4. *Eurodollar Rate Lending Unlawful; Inability to Determine Rate.*

(a) If any Lender shall determine (which determination shall, upon notice thereof to Borrower and Agent, be conclusive and binding on Borrower) that, after the Closing Date, (i) the introduction of or any change in or in the interpretation of any law makes it unlawful, or (ii) any Governmental Authority asserts that it is unlawful, for such Lender to make or continue any Loan as, or to convert (if permitted pursuant to this Agreement) any Loan into, a Eurodollar Loan, the obligations of such Lender to make, continue or convert any such Eurodollar Loan shall, upon such determination, be suspended until such Lender shall notify Agent that the circumstances causing such suspension no longer exist, and all outstanding Eurodollar Loans payable to such Lender shall automatically convert (if conversion is permitted under this Agreement) into a Base Rate Loan, or be repaid (if no conversion is permitted) at the end of the then current Interest Periods with respect thereto or sooner, if required by law or such assertion.

(b) If Agent or the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Loan, or that the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Loan does not adequately and fairly reflect the cost to the Lenders of funding such Loan, Agent will promptly so notify Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain such Eurodollar Loan shall be suspended until Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Borrower may

revoke any pending request for a borrowing of, conversion to or continuation of such Eurodollar Loan or, failing that, will be deemed to have converted such request into a request for a borrowing of a Base Rate Loan in the amount specified therein.

Section 3.5. *Discretion of Lenders as to Manner of Funding.* Notwithstanding any provision of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of such Lender's Loans in any manner such Lender deems to be appropriate; it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if such Lender had actually funded and maintained each Eurodollar Loan during the applicable Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the Eurodollar Rate for such Interest Period.

ARTICLE IV. CONDITIONS PRECEDENT

Section 4.1. *Conditions to Each Credit Event.* The obligation of the Lenders, the Fronting Lender and the Swing Line Lender to participate in any Credit Event shall be conditioned, in the case of each Credit Event, upon the following:

(a) all conditions precedent as listed in Section 4.2 hereof required to be satisfied prior to the first Credit Event shall have been satisfied prior to or as of the first Credit Event;

(b) Borrower shall have submitted a Notice of Loan (or with respect to a Letter of Credit, complied with the provisions of Section 2.2(b)(ii) hereof) and otherwise complied with Section 2.5 hereof;

(c) no Default or Event of Default shall then exist or immediately after such Credit Event would exist; and

(d) each of the representations and warranties contained in Article VI hereof shall be true in all material respects as if made on and as of the date of such Credit Event, except to the extent that any thereof expressly relate to an earlier date.

Each request by Borrower for a Credit Event shall be deemed to be a representation and warranty by Borrower as of the date of such request as to the satisfaction of the conditions precedent specified in subsections (c) and (d) above.

Section 4.2. *Conditions to the First Credit Event.* Borrower shall cause the following conditions to be satisfied on or prior to the Closing Date. The obligation of the Lenders, the Fronting Lender and the Swing Line Lender to participate in the first Credit Event is subject to Borrower satisfying each of the following conditions prior to or concurrently with such Credit Event:

(a) *Notes as Requested.* Borrower shall have executed and delivered to (i) each Lender requesting a Revolving Credit Note such Lender's Revolving Credit Note, and (ii) the Swing Line Lender the Swing Line Note, if requested by the Swing Line Lender.

(b) *Subsidiary Documents.* Each Guarantor of Payment shall have executed and delivered to Agent (i) a Guaranty of Payment, in form and substance satisfactory to Agent, and (ii) a Security Agreement and such other documents or instruments, as may be required by Agent to create or perfect the Liens of Agent, for the benefit of the Lenders, in the assets of such Guarantor of Payment, all to be in form and substance satisfactory to Agent.

(c) *Intellectual Property Security Agreements.* Each Credit Party that owns federally registered intellectual property shall have executed and delivered to Agent, for the benefit of the Lenders, an Intellectual Property Security Agreement, in form and substance satisfactory to Agent and the Lenders.

(d) *Real Estate Matters.* With respect to each parcel of the Real Property owned by a Credit Party, Borrower shall have delivered to Agent:

(i) evidence to Agent's satisfaction in its sole discretion that no portion of such Real Property is located in a Special Flood Hazard Area or is otherwise classified as Class A or Class BX on the Flood Maps maintained by the Federal Emergency Management Agency; and

(ii) two fully executed originals of the Mortgage with respect to such Real Property.

(e) *Delivery of Pledged Notes.* With respect to any Pledged Notes, Borrower, as appropriate, has executed an appropriate endorsement on (or separate from) each such Pledged Note and has deposited such Pledged Note with Agent.

(f) *Intercreditor Agreement.* Borrower shall have delivered the Intercreditor Agreement, fully executed by the Indenture Agent and each Credit Party, in form and substance satisfactory to Agent.

(g) *Assignment of Government Contracts.* Borrower shall have delivered to Agent, with respect to each Assigned Government Contract, (i) an executed Instrument of Assignment, and (ii) an executed Notice of Assignment of Claims in connection with Government Receivables complying with the terms of the Assignment of Claims Act of 1940, 31 U.S.C. § 3727, 41 U.S.C. § 15.

(h) *Lien Searches.* With respect to the property owned or leased by each Credit Party, Borrower shall have caused to be delivered to Agent (i) the results of Uniform Commercial Code lien searches, satisfactory to Agent and the Lenders, (ii) the results of federal and state tax lien and judicial lien searches, satisfactory to Agent and the Lenders, and (iii) Uniform Commercial Code termination statements reflecting termination of all U.C.C. Financing Statements previously filed by any Person and not expressly permitted pursuant to Section 5.9 hereof.

(i) *Officer's Certificate, Resolutions, Organizational Documents.* Borrower shall have delivered to Agent an officer's certificate (or comparable domestic or foreign documents) certifying the names of the officers of each Credit Party authorized to sign the Loan Documents, together with the true signatures of such officers and certified copies of (i) the resolutions of the board of directors (or comparable domestic or foreign documents) of such Credit Party evidencing approval of the execution and delivery of the Loan Documents and the execution of other Related Writings to which such Credit Party is a party, and (ii) the Organizational Documents of such Credit Party.

(j) *Good Standing and Full Force and Effect Certificates.* Borrower shall have delivered to Agent a good standing certificate or full force and effect certificate (or comparable document, if neither certificate is available in the applicable jurisdiction), as the case may be, for each Credit Party, issued on or about the Closing Date by the Secretary of State in the state or states where such Credit Party is incorporated or formed or qualified as a foreign entity.

(k) *Legal Opinion.* Borrower shall have delivered to Agent an opinion of counsel for Borrower and each other Credit Party, in form and substance satisfactory to Agent and the Lenders.

(l) *Acquisition Documents.* Borrower shall have provided to Agent copies of the Gichner Acquisition Documents and all documents executed in connection therewith, certified by a Financial Officer as true and complete, including evidence that the Acquisition contemplated therein has been consummated in accordance with the terms of the Gichner Acquisition Documents and in compliance with applicable law and regulatory approvals.

(m) *Senior Notes Documents.* Borrower shall have provided to Agent copies of the Senior Notes Documents, certified by a Financial Officer as true and complete, including evidence that Senior Notes, in an aggregate principal amount of no less than One Hundred Ninety Million Dollars ($190,000,000), have been issued.

(n) *Insurance Policies.* Borrower shall have delivered to Agent certificates of insurance on ACORD 25 and 27 or 28 form and proof of endorsements satisfactory to Agent and the Lenders, providing for adequate personal property and liability insurance for each Company, with Agent, on behalf of the Lenders, listed as mortgagee, lender's loss payee and additional insured, as appropriate.

(o) *Customer List.* Borrower shall have delivered to Agent a complete list of all Account Debtors of Borrower, including but not limited to the name, address and contact information of each Account Debtor, in form and detail satisfactory to Agent.

(p) *Financial Reports.* Borrower shall have delivered to Agent (i) internally prepared financial statements of Borrower for the Quarterly Reporting Period ended March 28, 2010, and (ii) audited financial statements of Borrower for the fiscal years ended December 27, 2009, December 28, 2008 and December 30, 2007; in each case, prepared on a Consolidated and consolidating basis (by business segment), in form and substance satisfactory to Agent, and (iii) all management letters and reports prepared by independent public accountants for the fiscal years ended December 27, 2009, December 28, 2008 and December 30, 2007.

(q) *Pro-Forma Projections.* Borrower shall have delivered to Agent annual pro-forma projections of financial statements (which report shall include balance sheets and statements of income (loss) and cash-flow) of Borrower for the fiscal years ending December 26, 2010, December 25, 2011 and December 30, 2012, prepared on a Consolidated and consolidating basis (by business segment), in form and substance satisfactory to Agent.

(r) *Collateral Audit.* Agent shall have received the results of a collateral field audit, in form and substance satisfactory to Agent.

(s) *Closing Available Liquidity.* On the Closing Date, the Closing Available Liquidity shall be no less than Fifteen Million Dollars ($15,000,000).

(t) *Advertising Permission Letter.* Borrower shall have delivered to Agent an advertising permission letter, authorizing Agent to publicize the transaction and specifically to use the name of Borrower in connection with "tombstone" advertisements in one or more publications selected by Agent.

(u) *Agent Fee Letter and Other Fees.* Borrower shall have (i) executed and delivered to Agent, the Agent Fee Letter and paid to Agent, for its sole account, the fees stated therein, and (ii) paid all legal fees and expenses of Agent in connection with the preparation and negotiation of the Loan Documents.

(v) *Existing Credit Agreement.* Borrower shall have (i) terminated the Credit Agreement between Borrower and KeyBank, as agent, dated as of March 3, 2010, as amended, which termination shall be deemed to have occurred upon payment in full of all of the Indebtedness outstanding thereunder and termination of the commitments established therein, and (ii) terminated the existing credit facilities for Gichner, which termination shall be deemed to have occurred upon payment in full of all of the Indebtedness outstanding thereunder and termination of the commitments established therein.

(w) *Closing Certificate.* Borrower shall have delivered to Agent and the Lenders an officer's certificate certifying that, as of the Closing Date, (i) all conditions precedent set forth in this Article IV have been satisfied, (ii) Closing Available Liquidity is no less than Fifteen Million Dollars ($15,000,000), (iii) no Default or Event of Default exists nor immediately after the first Credit Event will exist, and (iv) each of the representations and warranties contained in Article VI hereof are true and correct as of the Closing Date.

(x) *Letter of Direction.* Borrower shall have delivered to Agent a letter of direction authorizing Agent, on behalf of the Lenders, to disburse the proceeds of the Loans, which letter of direction

includes the authorization to transfer funds under this Agreement and the wire instructions that set forth the locations to which such funds shall be sent.

(y) *No Material Adverse Change.* No material adverse change, in the opinion of Agent, shall have occurred in the financial condition, operations or prospects of the Companies since December 31, 2009.

(z) *Miscellaneous.* Borrower shall have provided to Agent and the Lenders such other items and shall have satisfied such other conditions as may be reasonably required by Agent or the Lenders.

Section 4.3. *Post-Closing Conditions.*

(a) *Cash Management Systems.* No later than sixty (60) days after the Closing Date (unless a longer period is agreed to by Agent), Borrower shall have established (i) the cash management system, specified in Section 7.2 hereof, and executed the Master Agreement, in form and substance satisfactory to Agent, and (ii) one or more Cash Collateral Accounts, Operating Accounts, Controlled Disbursement Accounts and Lockbox arrangements, in each case satisfactory to Agent.

(b) *Inventory Appraisal of Gichner.* No later than forty-five (45) days after the Closing Date (unless a longer period is agreed to by Agent), Agent shall have received the results of an appraisal of Inventory of Gichner and its Subsidiaries, in form and substance satisfactory to Agent.

(c) *Collateral Field Audit of Gichner.* No later than forty-five (45) days after the Closing Date (unless a longer period is agreed to by Agent), Agent shall have received the results of a collateral field audit of Gichner and its Subsidiaries, in form and substance satisfactory to Agent.

(d) *Deposit Account Control Agreements.* No later than sixty (60) days after the Closing Date (unless a longer period is agreed to by Agent), Borrower shall have delivered to Agent an executed Deposit Account Control Agreement, in form and substance satisfactory to Agent, for each Deposit Account maintained by a Credit Party; provided that Borrower shall not be required to deliver a Deposit Account Control Agreement with respect to any of the Deposit Accounts referenced in subsection (e) of this Section 4.3, so long as the Borrower is in compliance with subsection (e) of this Section 4.3.

(e) *Certain Deposit Accounts.* No later than one hundred (100) days after the Closing Date (unless a longer period is agreed to by Agent), Borrower shall have closed the Deposit Accounts designated as Deposit Accounts to be closed in *Schedule 6.19* hereto.

(f) *Landlords' Waivers and Mortgagees' Waivers.* Borrower shall use it best efforts to deliver to Agent a Landlord's Waiver and a mortgagee's waiver, if applicable, each in form and substance satisfactory to Agent, within thirty (30) days after the Closing Date (unless a longer period is agreed to by Agent), for each location of Borrower or a Guarantor of Payment where any of the collateral securing any part of the Obligations is located, unless such location is owned by the Company that owns the collateral located there; provided that Borrower shall not be required to deliver a Landlord's Waiver for its locations at 4810 and 4820 Eastgate Mall, San Diego, California.

(g) *U.C.C. Financing Statement Amendment.* No later than seven days after the Closing Date (unless a longer period is agreed to by Agent), Borrower shall have caused to be filed a U.C.C. Financing Statement amendment with respect to U.C.C. Financing Statement number VA 0407227083-9, filed with the clerk of the Virginia State Corporation Commission by American Express Business Finance against DTI Associates, Inc., in form and substance satisfactory to Agent.

ARTICLE V. COVENANTS

Section 5.1. *Insurance.* Each Company shall at all times maintain insurance upon its Inventory, Equipment and other personal and real property in such form, written by such companies, in such amounts, for such periods, and against such risks as may be acceptable to Agent, with provisions satisfactory to Agent for, with respect to Credit Parties, payment of all losses thereunder (other than with respect to the Indenture Priority Collateral, so long as the Indebtedness owing under the Senior Notes has not been paid in full) to Agent, for the benefit of the Lenders, and such Company as their interests may appear (with lender's loss payable endorsement in favor of Agent, for the benefit of the Lenders), and, if required by Agent, Borrower shall deposit the policies with Agent. Any such policies of insurance shall provide for no fewer than thirty (30) days prior written notice of cancellation to Agent and the Lenders. Subject to the provisions of the Intercreditor Agreement, any sums received by Agent, for the benefit of the Lenders, in payment of insurance losses, returns, or unearned premiums under the policies may, at the option of Agent, be applied upon the Obligations whether or not the same is then due and payable, or may be delivered to the Companies for the purpose of replacing, repairing, or restoring the insured property; provided that, with respect to any insurance proceeds received in connection with, or for the purpose of satisfying, any pending litigation claims, expenses or final judgments, Agent shall deliver such proceeds to the Companies for the purposes of satisfying such claims, expenses or judgments. Agent is hereby authorized to act as attorney-in-fact for the Companies in obtaining, adjusting, settling and canceling such insurance and indorsing any drafts. In the event of failure to provide such insurance as herein provided, Agent may, at its option, provide such insurance and Borrower shall pay to Agent, upon demand, the cost thereof. Should Borrower fail to pay such sum to Agent upon demand, interest shall accrue thereon, from the date of demand until paid in full, at the Default Rate. Within ten days of Agent's written request, Borrower shall furnish to Agent such information about the insurance of the Companies as Agent may from time to time reasonably request, which information shall be prepared in form and detail satisfactory to Agent and certified by a Financial Officer.

Section 5.2. *Money Obligations.* Each Company shall pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate provisions have been established in accordance with GAAP) for which it may be or become liable or to which any or all of its properties may be or become subject; (b) all of its material wage obligations to its employees in compliance with the Fair Labor Standards Act (29 U.S.C. §§ 206-207) or any comparable provisions, and, in the case of the Foreign Subsidiaries, those obligations under foreign laws with respect to employee source deductions, obligations and employer obligations to its employees; and (c) all of its other material obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate provisions have been established in accordance with GAAP) before such payment becomes overdue.

Section 5.3. *Financial Statements, Collateral Reporting and Information.*

(a) *Borrowing Base.* Borrower shall deliver to Agent, as frequently as Agent may request, but no less frequently than by 2:00 P.M. (Pacific time) twenty-five (25) days after the end of each Monthly Reporting Period (or the next Business Day if such day is not a Business Day), a Borrowing Base Certificate (for the period ending on the last day of the prior Monthly Reporting Period) prepared and certified by a Financial Officer. Such Borrowing Base Certificate shall be updated for all activity (sales, billings, collections, credits and similar information) impacting the accounts receivable of the Borrowing Base Companies from the date of the immediately preceding Borrowing Base Certificate to the date of such Borrowing Base Certificate. The amount of Eligible Inventory and the determination as to which accounts receivable constitute Eligible Accounts Receivable to be included on each Borrowing Base

Certificate shall, absent a request from Agent that such amounts be calculated more frequently, be the amount that is calculated and updated monthly pursuant to subsections (e) and (f) below.

(b) *Quarterly Financials.* Borrower shall deliver to Agent and the Lenders, within forty-five (45) days after the end of each of the first three (3) Quarterly Reporting Periods of each fiscal year, in form and detail satisfactory to Agent and the Lenders and certified by a Financial Officer, (i) balance sheets of Borrower as of the end of such period and statements of income (loss), stockholders equity and cash flow for the Quarterly Reporting Period and fiscal year to date periods and a comparison to budget or plan, all prepared on a Consolidated basis, and (ii) balance sheets of Borrower as of the end of such period and statements of income (loss) of Borrower and capital expenditures made by Borrower for the Quarterly Reporting Period and fiscal year to date periods and a comparison to budget or plan, all prepared on a consolidating (by business segment) basis.

(c) *Annual Audit Report.* Borrower shall deliver to Agent and the Lenders, within ninety (90) days after the end of each fiscal year of Borrower, (i) an annual audit report of Borrower for that year prepared on a Consolidated basis, in form and detail satisfactory to Agent and the Lenders and certified by an unqualified opinion of an independent public accountant satisfactory to Agent, which report shall include balance sheets and statements of income (loss), stockholders equity and cash flow for that period, and (ii) balance sheets of Borrower as of the end of such period and statements of income (loss) of Borrower and capital expenditures made by Borrower for such annual period, all prepared on a consolidating (by business segment) basis that correspond to the statements delivered in subpart (i) hereof, and certified by a Financial Officer.

(d) *Compliance Certificate.* Borrower shall deliver to Agent and the Lenders, concurrently with the delivery of the financial statements set forth in subsections (b) and (c) above, a Compliance Certificate.

(e) *Accounts Receivable Aging Report.* Borrower shall deliver to Agent an accounts receivable aging report, in form and substance satisfactory to Agent and signed by a Financial Officer, (i) concurrently with the delivery of the Borrowing Base Certificate referenced in subsection (a) above, aged by the original invoice date of accounts receivable of the Borrowing Base Companies, prepared as of the last day of the preceding Monthly Reporting Period, reconciled to the period-end balance sheet and period-end Borrowing Base Certificate, together with the calculation of the current period-end Eligible Accounts Receivable of the Borrowing Base Companies, (ii) upon Agent's request, an aging by original invoice date of all existing accounts receivable, specifying the names, current value and dates of invoices for each Account Debtor, and (iii) that includes any other information Agent shall reasonably request with respect to such accounts receivable and its evaluation of such reports.

(f) *Inventory Report.* Borrower shall deliver to Agent a summary of Inventory, in form and substance satisfactory to Agent and signed by a Financial Officer, concurrently with the delivery of the Borrowing Base Certificate referenced in subsection (a) above, based upon period-end balances reconciled to the period-end balance sheet and the period-end Borrowing Base Certificate, and accompanied by an Inventory certification, in form and substance reasonably acceptable to Agent and including a calculation of the Eligible Inventory of the Borrowing Base Companies (the calculation of Eligible Inventory reflecting the then most recent period-end balance). Borrower shall deliver to Agent, after the end of each Monthly Reporting Period, Inventory records, in such detail as Agent and the Lenders shall deem reasonably necessary to determine the level of Eligible Inventory. The values shown on the Inventory reports shall be at the lower of cost or market value, determined in accordance with the usual cost accounting system of the Borrowing Base Companies. Borrower shall provide such other reports with respect to the Inventory of the Borrowing Base Companies as Agent may reasonably request from time to time. Notwithstanding anything above in this Section 5.3(f) to the contrary, unless otherwise required by Agent in writing, Borrower shall only be required to deliver Inventory reports with respect to Borrowing Base Companies whose Inventory is a component of the Borrowing Base.

(g) *Accounts Payable Aging Report.* Borrower shall deliver to Agent, concurrently with the delivery of the Borrowing Base Certificate referenced in subsection (a) above, in form and detail satisfactory to Agent, an aging summary of the accounts payable of the Borrowing Base Companies, dated as of the last day of the preceding Monthly Reporting Period.

(h) *Assigned Government Contracts.* Borrower shall deliver to Agent, concurrently with the delivery of the Borrowing Base Certificate referenced in subsection (a) above, in form and detail satisfactory to Agent, a list of all Assigned Government Contracts that came into existence during the preceding Monthly Reporting Period, together with an Instrument of Assignment and a Notice of Assignment of Claims for each such Assigned Government Contract.

(i) *Customer List.* Borrower shall deliver to Agent an updated customer list, upon request of Agent, that sets forth all Account Debtors of the Borrowing Base Companies, including but not limited to the name, address and contact information of each Account Debtor, in form and detail satisfactory to Agent.

(j) *Projections.* Borrower shall deliver to Agent and the Lenders, within sixty (60) days after the end of each fiscal year of Borrower, consistent with GAAP and in form and detail satisfactory to Agent, (i) projected monthly balance sheets, income statements cash flow statements and a calculation of the projected Revolving Credit Availability and projected compliance with Section 5.7 hereof for the following year of Borrower, prepared on a Consolidated basis, and (ii) projected monthly balance sheets, income statements and capital expenditures prepared on a consolidating (by business segment) basis that correspond to the projections delivered in subpart (i) hereof.

(k) *Locations of Collateral.* Borrower shall deliver to Agent, within ninety (90) days after the end of each fiscal year of Borrower, a replacement *Schedule 6.9* that sets forth each location (including third party locations) where any Company conducts business or maintains any Accounts, Inventory or Equipment, in form and substance satisfactory to Agent.

(l) *Reporting Periods.* Within thirty (30) days prior to the end of each fiscal year of Borrower, Borrower shall deliver to Agent a replacement *Schedule 5.3* that sets forth the respective Monthly Reporting Periods and Quarterly Reporting Periods for the following fiscal year of Borrower, in form and substance reasonably satisfactory to Agent.

(m) *Shareholder and SEC Documents.* Borrower shall deliver to Agent and the Lenders, as soon as available, copies of all notices, reports, definitive proxy or other statements and other documents sent by Borrower to its shareholders, to the holders of any of its debentures or bonds or the trustee of any indenture securing the same or pursuant to which they are issued, or sent by Borrower (in final form) to any securities exchange or over the counter authority or system, or to the SEC or any similar federal agency having regulatory jurisdiction over the issuance of Borrower's securities.

(n) *Changes in Accounting Principles.* If, as a result of any change in accounting principles and policies (or the application thereof) from those used in the preparation of the historical financial statements, the consolidated financial statements of Borrower and its Subsidiaries delivered pursuant to Section 5.3(b) or 5.3(c) will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such sections had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance satisfactory to Agent.

(o) *Financial Information of the Companies.* Borrower shall deliver to Agent and the Lenders, within ten days of the written request of Agent or any Lender, such other information about the financial condition, properties and operations of any Company as may from time to time be reasonably requested, which information shall be submitted in form and detail satisfactory to Agent and the Lenders and certified by a Financial Officer of the Company or Companies in question.

Section 5.4. *Financial Records.* Each Company shall at all times maintain true and complete records and books of account, including, without limiting the generality of the foregoing, appropriate provisions for possible losses and liabilities, all in accordance with GAAP, and at all reasonable times (during normal business hours and upon notice to such Company) permit Agent or any Lender, or any representative of Agent or such Lender, to examine such Company's books and records and to make excerpts therefrom and transcripts thereof.

Section 5.5. *Franchises; Change in Business.*

(a) Each Company (other than a Dormant Subsidiary) shall preserve and maintain at all times its existence, and its rights and franchises necessary for its business, except as otherwise permitted pursuant to Section 5.12 hereof.

(b) No Company shall engage in any business if, as a result thereof, the general nature of the business of the Companies taken as a whole would be substantially changed from the general nature of the business the Companies are engaged in on the Closing Date.

Section 5.6. *ERISA Pension and Benefit Plan Compliance.*

(a) *Generally.* No Company shall incur any material accumulated funding deficiency within the meaning of ERISA, or any material liability to the PBGC, established thereunder in connection with any ERISA Plan. Borrower shall furnish to Agent and the Lenders (i) as soon as possible and in any event within thirty (30) days after any Company knows or has reason to know that any Reportable Event with respect to any ERISA Plan has occurred, a statement of a Financial Officer of such Company, setting forth details as to such Reportable Event and the action that such Company proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC if a copy of such notice is available to such Company, and (ii) promptly after receipt thereof, a copy of any notice such Company, or any member of the Controlled Group may receive from the PBGC or the Internal Revenue Service with respect to any ERISA Plan administered by such Company; provided that this latter clause shall not apply to notices of general application promulgated by the PBGC or the Internal Revenue Service. Borrower shall promptly notify Agent of any material taxes assessed, proposed to be assessed or that Borrower has reason to believe may be assessed against a Company by the Internal Revenue Service with respect to any ERISA Plan. As used in this Section 5.6(a), "material" means the measure of a matter of significance that shall be determined as being an amount equal to five percent (5%) of Consolidated Net Worth. As soon as practicable, and in any event within twenty (20) days, after any Company shall become aware that an ERISA Event shall have occurred, such Company shall provide Agent with notice of such ERISA Event with a certificate by a Financial Officer of such Company setting forth the details of the event and the action such Company or another Controlled Group member proposes to take with respect thereto. Borrower shall, at the written request of Agent, deliver or cause to be delivered to Agent true and correct copies of any documents relating to the ERISA Plan of any Company.

(b) *Foreign Pension Plans and Benefit Plans.*

(i) For each existing, or hereafter adopted, Foreign Pension Plan and Foreign Benefit Plan, Borrower and any appropriate Foreign Subsidiary shall in a timely fashion comply with and perform in all material respects all of its obligations under and in respect of such Foreign Pension Plan or Foreign Benefit Plan, including under any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations).

(ii) All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Foreign Pension Plan or Foreign Benefit Plan shall be paid or remitted by Borrower and any appropriate Foreign Subsidiary in a timely fashion in accordance with the terms thereof, any funding agreements and all applicable laws.

(iii) Borrower and any appropriate Foreign Subsidiary shall deliver to Agent (A) if requested by Agent in writing, copies of each annual and other return, report or valuation with respect to each Foreign Pension Plan as filed with any applicable Governmental Authority; (B) promptly after receipt thereof, a copy of any material direction, order, notice, ruling or opinion that Borrower and any appropriate Foreign Subsidiary may receive from any applicable Governmental Authority with respect to any Foreign Pension Plan; and (C) notification within thirty (30) days of any increases having a cost to the Companies in excess of Two Hundred Fifty Thousand Dollars ($250,000) per annum in the aggregate, in the benefits of any existing Foreign Pension Plan or Foreign Benefit Plan, or the establishment of any new Foreign Pension Plan or Foreign Benefit Plan, or the commencement of contributions to any such plan to which the Companies were not previously contributing..

Section 5.7. *Financial Covenants.*

(a) *Fixed Charge Coverage Ratio.* Borrower shall not suffer or permit at any time the Fixed Charge Coverage Ratio to be less than 1.25 to 1.00.

Section 5.8. *Borrowing.* No Company shall create, incur or have outstanding any Indebtedness of any kind; provided that this Section 5.8 shall not apply to the following, to the extent the following are not otherwise prohibited by the Senior Notes Documents:

(a) the Loans, the Letters of Credit and any other Indebtedness under this Agreement;

(b) any loans granted to or Capitalized Lease Obligations entered into by any Company for the purchase or lease of fixed assets (and refinancings of such loans or Capitalized Lease Obligations), which loans and Capitalized Lease Obligations shall only be secured by the fixed assets being purchased or leased, so long as (i) Borrower is in pro forma compliance with Section 5.7 hereof, both before and after giving effect to such loans and Capitalized Lease Obligations, (ii) no Default or Event of Default shall exist at the time any such loan or Capitalized Lease Obligation is incurred, or immediately thereafter shall begin to exist, (iii) the aggregate principal amount of all such loans and Capitalized Lease Obligations for all Companies shall not exceed Ten Million Dollars ($10,000,000) at any time outstanding;

(c) the Indebtedness existing on the Closing Date, in addition to the other Indebtedness permitted to be incurred pursuant to this Section 5.8, as set forth in *Schedule 5.8* hereto (and any extension, renewal or refinancing thereof but only to the extent that the principal amount thereof does not increase after the Closing Date);

(d) loans to, and guaranties of Indebtedness of, a Company from a Company so long as each such Company is a Credit Party;

(e) Indebtedness under any Hedge Agreement, so long as such Hedge Agreement shall have been entered into in the ordinary course of business and not for speculative purposes;

(f) Indebtedness arising in the ordinary course of business of the Companies in connection with the corporate credit card programs of the Companies, in an aggregate amount not to exceed Five Million Dollars ($5,000,000);

(g) Permitted Foreign Subsidiary Loans, Guaranties and Investments;

(h) Indebtedness incurred in connection with the Senior Notes, in an aggregate amount not to exceed Two Hundred Twenty-Five Million Dollars ($225,000,000);

(i) Indebtedness with respect to surety, appeal, indemnity, performance or other similar bonds arising in the ordinary course of business and upon terms typical to the industry; provided that this subpart (i) shall not include guaranties for borrowed money; and

(j) other Indebtedness, in addition to the Indebtedness listed above, in an aggregate principal amount for all Companies not to exceed Twenty-Five Million Dollars ($25,000,000), with respect to (i) Indebtedness incurred in connection with the Senior Notes, (ii) unsecured Subordinated Indebtedness created pursuant to documentation in form and substance reasonably satisfactory to Agent and the Required Lenders, and on terms reasonably satisfactory to Agent and the Required Lenders, and (iii) other unsecured Indebtedness; so long as, in each case, as of the date such additional Indebtedness is incurred, (A) Borrower is in pro forma compliance with Section 5.7 hereof, both before and after giving effect to the incurrence of such Indebtedness, and (B) no Default or Event of Default shall then exist or immediately thereafter shall begin to exist.

Notwithstanding anything in this Section 5.8 to the contrary, Borrower shall not, without the prior written consent of Agent and the Required Lenders, incur Indebtedness in reliance upon or pursuant to clause (15) of the definition of "Permitted Indebtedness" in the Indenture; provided that Borrower may, without the consent of Agent or the Lenders, incur up to an aggregate amount of Five Million Dollars ($5,000,000) of unsecured Indebtedness pursuant to clause (15) of the definition of "Permitted Indebtedness" in the Indenture, so long as such Indebtedness is otherwise permitted pursuant to this Section 5.8.

Section 5.9. *Liens.* No Company shall create, assume or suffer to exist (upon the happening of a contingency or otherwise) any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided that this Section 5.9 shall not apply to the following, to the extent the following are not otherwise prohibited by the Senior Notes Documents:

(a) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves shall have been established in accordance with GAAP;

(b) other statutory Liens, including, without limitation, statutory Liens of landlords, carriers, warehousers, utilities, mechanics, repairmen, workers and materialmen, incidental to the conduct of its business or the ownership of its property and assets that (i) were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and (ii) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;

(c) Liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to Borrower or a Guarantor of Payment;

(d) any Lien granted to Agent, for the benefit of the Lenders;

(e) the Liens existing on the Closing Date as set forth in *Schedule 5.9* hereto and replacements, extensions, renewals, refundings or refinancings thereof, but only to the extent that the amount of debt secured thereby, and the property secured thereby, shall not be increased;

(f) purchase money Liens on fixed assets securing the loans and Capitalized Lease Obligations pursuant to Section 5.8(b) hereof, provided that such Lien is limited to the purchase price and only attaches to the property being acquired;

(g) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of any Company;

(h) the Liens securing the Indebtedness under the Senior Notes pursuant to Section 5.8(h) and (j) hereof, so long as (i) such Liens are subject to the Intercreditor Agreement, and (ii) as of the date of the issuance of any additional Senior Notes after the Closing Date, (A) Borrower is in pro forma compliance with Section 5.7 hereof, both before and after giving effect to the issuance of such additional Senior Notes, and (B) no Default or Event of Default shall then exist or immediately thereafter shall begin to exist;

(i) any Lien on fixed assets owned by a Company as a result of an Acquisition permitted pursuant to Section 5.13 hereof, so long as (i) such Lien was not created at the time of or in contemplation of such Acquisition, and (ii) such Lien is released within one hundred eighty (180) days after such Acquisition (unless Borrower shall have obtained the prior written consent of Agent and the Required Lenders);

(j) Liens to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of like nature incurred in the ordinary course of business and upon terms typical to the industry (including, without limitation, Liens securing Indebtedness permitted pursuant to Section 5.8(i) hereof; so long as, in each case, such Liens are not incurred in connection with the borrowing of money; or

(k) other Liens, in addition to the Liens listed above, not incurred in connection with the borrowing of money, securing amounts, in the aggregate for all Companies, not to exceed Five Hundred Thousand Dollars ($500,000) at any time.

No Company shall enter into any contract or agreement (other than (i) a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets or (ii) any agreement with a restriction that is not enforceable under Section 9-406, 9-407 or 9-408 of the U.C.C.) that would prohibit Agent or the Lenders from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of such Company.

Section 5.10. *Regulations T, U and X.* No Company shall take any action that would result in any non-compliance of the Loans or Letters of Credit with Regulations T, U or X, or any other applicable regulation, of the Board of Governors of the Federal Reserve System.

Section 5.11. *Investments, Loans and Guaranties.* No Company shall (a) create, acquire or hold any Subsidiary, (b) make or hold any investment in any stocks, bonds or securities of any kind, (c) be or become a party to any joint venture or other partnership, (d) make or keep outstanding any advance or loan to any Person, or (e) be or become a Guarantor of any kind (other than a Guarantor of Payment under the Loan Documents); provided that this Section 5.11 shall not apply to the following, to the extent the following are not otherwise prohibited by the Senior Notes Documents:

(i) any endorsement of a check or other medium of payment for deposit or collection through normal banking channels or similar transaction in the normal course of business;

(ii) any investment in direct obligations of the United States of America or in certificates of deposit issued by a member bank (having capital resources in excess of Five Hundred Million Dollars ($500,000,000)) of the Federal Reserve System;

(iii) investments by the Companies in Cash Equivalents;

(iv) any repurchase of Senior Notes that is permitted pursuant to Section 5.15 hereof;

(v) the holding of each of the Subsidiaries listed on *Schedule 6.1* hereto, and the creation, acquisition and holding of and any investment in any new Subsidiary after the Closing Date so long as such new Subsidiary shall have been created, acquired or held, and investments made, in accordance with the terms and conditions of this Agreement;

(vi) loans to, investments in and guaranties of the Indebtedness of, a Company from or by a Company so long as each such Company is a Credit Party;

(vii) any advance or loan to an officer or employee of a Company as an advance on commissions, travel and other items in the ordinary course of business, so long as all such advances and loans from all Companies aggregate not more than the maximum principal sum of Five Hundred Thousand Dollars ($500,000) at any time outstanding;

(viii) any investment or advance made to an officer or employee of a Company made as a matching contribution to a 401(k) plan or pursuant to an employee stock purchase plan;

(ix) any Permitted Foreign Subsidiary Loans, Guaranties and Investments, so long as no Default or Event of Default shall then exist or would result therefrom;

(x) investments (i) in any equity interests received in satisfaction or partial satisfaction thereof from financially troubled Account Debtors, and (ii) constituting deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of the Companies;

(xi) loans to employees, officers and directors, the proceeds of which shall be used to purchase equity interests of the Companies; or

(xii) other loans to, investments in and guaranties of the Indebtedness of, a Person, in the ordinary course of business, so long as all such loans, investments and guaranties from all Companies aggregate not more than the maximum principal sum of Two Million Five Hundred Thousand Dollars ($2,500,000) at any time outstanding.

For purposes of this Section 5.11, the amount of any investment in equity interests shall be based upon the initial amount invested and shall not include any appreciation in value or return on such investment.

Section 5.12. *Merger and Sale of Assets*. No Company shall merge, amalgamate or consolidate with any other Person, or sell, lease or transfer or otherwise dispose of any assets to any Person other than in the ordinary course of business, except that, if no Default or Event of Default shall then exist or immediately thereafter shall begin to exist, and unless otherwise prohibited by the Senior Notes Documents:

(a) a Domestic Subsidiary may merge with (i) Borrower (provided that Borrower shall be the continuing or surviving Person) or (ii) any one or more Guarantors of Payment (provided that a Guarantor of Payment shall be the continuing or surviving Person);

(b) a Domestic Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to (i) Borrower or (ii) any Guarantor of Payment;

(c) a Foreign Subsidiary may merge or amalgamate with a Credit Party provided that a Credit Party shall be the continuing or surviving Person;

(d) a Foreign Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to a Credit Party;

(e) a Foreign Subsidiary may merge or amalgamate with or sell, lease, transfer or otherwise dispose of any of its assets to any other Foreign Subsidiary;

(f) a Company may sell, lease, transfer or otherwise dispose of any assets that are obsolete or no longer useful in such Company's business;

(g) a Dormant Subsidiary may be, dissolved or otherwise cease to exist provided that all rights and interest in and to all property, assets and liabilities of such Dormant Subsidiary are assumed by or transferred to a Credit Party;

(h) a Company may sell, lease or otherwise dispose of any fixed assets, so long as (i) the proceeds of such Disposition are applied in accordance with the Indenture and the Intercreditor Agreement, and (ii) as of the date of such disposition, no Default or Event of Default shall then exist or immediately thereafter shall begin to exist; and

(i) a Company may, in addition to any Disposition otherwise permitted pursuant to this Section 5.12, make Dispositions (including, without limitation, the sale by Borrower of Kratos Southeast, Inc.), so long as (i) the aggregate amount of proceeds of all such Dispositions does not exceed Five Million Dollars ($5,000,000), (ii) the consideration received for the property subject to each such Disposition shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of directors of Borrower (or similar governing body)), (iii) to the extent the property that is subject to such Disposition constitutes Collateral (other than Indenture Priority Collateral), the net proceeds of such Disposition are used to acquire inventory, documents, contracts, accounts, chattel paper, instruments or contract rights in respect of any service or sales contracts, (iv) to the extent the property that is subject to such Disposition constitutes Indenture Priority Collateral, the proceeds of such Disposition are applied in accordance with the Indenture and the Intercreditor Agreement, and (v) as of the date of such Disposition, no Default or Event of Default shall then exist or immediately thereafter shall begin to exist.

Section 5.13. *Acquisitions.* No Company shall effect an Acquisition; provided that a Company may effect an Acquisition so long as such Acquisition meets all of the following requirements:

(a) in the case of a merger, amalgamation or other combination including Borrower, Borrower shall be the surviving entity;

(b) in the case of a merger, amalgamation or other combination including a Credit Party (other than Borrower), a Credit Party shall be the surviving entity;

(c) the business to be acquired shall be similar to the lines of business of the Companies;

(d) the Companies shall be in full compliance with the Loan Documents both prior to and after giving pro forma effect to such Acquisition;

(e) no Default or Event of Default shall exist prior to or, after giving pro forma effect to such Acquisition, thereafter shall begin to exist;

(f) if the Accounts and Inventory acquired in connection with such Acquisition are proposed to be included in the determination of the Borrowing Base, Agent shall have conducted a field examination and appraisal of such Accounts and Inventory to its reasonable satisfaction;

(g) Borrower shall have provided to Agent and the Lenders, at least ten days prior to such Acquisition, historical financial statements of the target entity and a pro forma financial statement of the Companies accompanied by a certificate of a Financial Officer showing pro forma compliance with Section 5.7 hereof, both before and after giving effect to the proposed Acquisition;

(h) such Acquisition is not actively opposed by the board of directors (or similar governing body) of the selling Persons or the Persons whose equity interests are to be acquired;

(i) the target entity or business to be acquired shall not be a distressed company or have negative EBITDA (a "Distressed Target"), as determined by Agent in its reasonable credit judgment; provided that, (i) if Borrower can demonstrate to Agent, to Agent's reasonable satisfaction, that, after giving pro forma effect to the Acquisition of a Distressed Target (a "Distressed Acquisition"), such Distressed Target would have positive EBITDA as a result of identifiable hard cost savings that would be implemented within ninety (90) days after the date of such Distressed Acquisition, then a Company may effect such Distressed Acquisition, so long as the aggregate amount of cash Consideration (exclusive of the issuance of equity) (A) paid for any such Distressed Acquisition (or related series of Acquisitions) would not exceed Ten Million Dollars ($10,000,000), and (B) paid for all such Distressed Acquisitions after the Closing Date would not exceed Twenty Million Dollars ($20,000,000), and (ii) to the extent any cash Consideration for any such Distressed Acquisition is funded with the net cash proceeds of an equity offering by Borrower, the aggregate amount of such net cash proceeds of an

equity offering shall be excluded from the calculation of the maximum Dollar amounts set forth in this subpart (i);

(j) the aggregate amount of cash Consideration (exclusive of the issuance of equity) (i) paid for any such Acquisition (or related series of Acquisitions), including any Distressed Acquisition, would not exceed Fifty Million Dollars ($50,000,000), and (ii) paid for all such Acquisitions, including Distressed Acquisitions, after the Closing Date would not exceed One Hundred Million Dollars ($100,000,000); provided that, to the extent any cash Consideration for any such Acquisition is funded with the net cash proceeds of an equity offering by Borrower, the aggregate amount of such net cash proceeds of an equity offering shall be excluded from the calculation of the maximum Dollar amounts set forth in this subpart (j); and

(k the Available Liquidity shall be no less than Twenty Million Dollars ($20,000,000) both before and after giving effect to such Acquisition.

Section 5.14. *Notice.*

(a) Borrower shall cause a Financial Officer to promptly notify Agent and the Lenders, in writing, whenever:

(i) a Default or Event of Default may occur hereunder or any representation or warranty made in Article VI hereof or elsewhere in this Agreement or in any Related Writing may for any reason cease in any material respect to be true and complete;

(ii) Borrower learns of a litigation or proceeding against Borrower before a court, administrative agency or arbitrator that, if successful, might have a Material Adverse Effect;

(iii) Borrower learns that there has occurred or begun to exist any event, condition or thing that is reasonably likely to have a Material Adverse Effect; and

(iv) Borrower incurs any Indebtedness (i) in reliance upon and pursuant to the fixed charge covenant test set forth in the Indenture, or (ii) in reliance upon and pursuant to clause (15) of the definition of "Permitted Indebtedness" in the Indenture.

(b) Borrower shall provide written notice to Agent and the Lenders contemporaneously with any notice provided to, or received from, the trustee or the Senior Noteholders under the Senior Notes Indenture or the Senior Notes.

(c) Borrower shall provide written notice to Agent and the Lenders contemporaneously with any "Cure Notice", "Show Cause" or other similar notice received in connection with a Government Contract or Government Subcontract.

(d) Borrower shall promptly notify Agent and the Lenders, in writing, whenever any Material Contract is terminated prior to scheduled completion or amended in a manner that would decrease the revenue to be received by any Credit Party during any fiscal year under such Material Contract by more than twenty-five percent (25%).

Section 5.15. *Restricted Payments.* No Company shall make or commit itself to make any Restricted Payment at any time, except that, to the extent not otherwise prohibited by the Senior Notes Documents:

(a) Borrower may make regularly scheduled payments (in accordance with the terms of the Senior Notes Documents in effect on the Closing Date) of principal and interest with respect to Indebtedness owing under the Senior Notes;

(b) Borrower may purchase or prepay the Senior Notes in connection with the Disposition of any Indenture Priority Collateral of the Companies, so long as the proceeds of such Disposition are applied in accordance with the Indenture and the Intercreditor Agreement;

(c) Borrower may, in addition to any purchase or prepayment permitted in subsection (b) above, purchase or prepay any Senior Notes, so long as (i) Borrower is in pro forma compliance with Section 5.7 hereof, both before and after giving effect to the issuance of such additional Senior Notes, (ii) as of the date of such purchase or prepayment, no Default or Event of Default shall then exist or, after giving proforma effect to such payment, thereafter shall begin to exist, (iii) there are, and will be, no Loans outstanding either immediately before or after such purchase or prepayment, and (iv) the Available Liquidity, immediately after such purchase or prepayment is at least Twenty-Five Million Dollars ($25,000,000);

(d) Borrower may make any matching contribution to a 401(k) plan or pursuant to an employee stock purchase plan; and

(e) Borrower may make Capital Distributions, so long as (i) Borrower is in pro forma compliance with Section 5.7 hereof, both before and after giving effect to such Capital Distributions, (ii) as of the date of such Capital Distribution, no Default or Event of Default shall then exist or, after giving proforma effect to such payment, thereafter shall begin to exist, and (iii) the Available Liquidity, immediately after such Capital Distribution is at least Twenty-Five Million Dollars ($25,000,000).

Section 5.16. *Environmental Compliance*. Each Company shall comply in all respects with any and all Environmental Laws and Environmental Permits including, without limitation, all Environmental Laws in jurisdictions in which such Company owns or operates a facility or site, arranges for disposal or treatment of hazardous substances, solid waste or other wastes, accepts for transport any hazardous substances, solid waste or other wastes or holds any interest in real property or otherwise. Borrower shall furnish to Agent and the Lenders, promptly after receipt thereof, a copy of any notice any Company may receive from any Governmental Authority or private Person, or otherwise, that any material litigation or proceeding pertaining to any environmental, health or safety matter has been filed or is threatened against such Company, any real property in which such Company holds any interest or any past or present operation of such Company. No Company shall allow the release or disposal of hazardous waste, solid waste or other wastes on, under or to any real property in which any Company holds any ownership interest or performs any of its operations, in violation of any Environmental Law. As used in this Section 5.16, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity action, administrative action, investigation or inquiry whether brought by any Governmental Authority or private Person, or otherwise. Borrower shall defend, indemnify and hold Agent and the Lenders harmless against all costs, expenses, claims, damages, penalties and liabilities of every kind or nature whatsoever (including attorneys' fees) arising out of or resulting from the noncompliance of any Company with any Environmental Law. Such indemnification shall survive any termination of this Agreement.

Section 5.17. *Affiliate Transactions*. Except as set forth on *Schedule 5.17* hereto, no Company shall, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate (other than, in the case of Borrower, any Subsidiary, and in the case of a Subsidiary, Borrower or another Subsidiary) (each, an "Affiliate Transaction"), other than agreements and transactions with and payments to officers, directors and shareholders that are either (a) entered into in the ordinary course of business and not prohibited by any of the provisions of this Agreement or that are expressly permitted by the provisions of this Agreement, or (b) entered into outside the ordinary course of business, approved by the directors or shareholders of Borrower, and not prohibited by any of the provisions of this Agreement or in violation of any law, rule or regulation; provided that (i) any such Affiliate Transaction is entered into in the ordinary course of business and pursuant to the reasonable requirements of Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to Borrower or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person other than an Affiliate, (ii) in the event such Affiliate Transaction involves an aggregate consideration in excess of Five Million Dollars ($5,000,000), the terms of such

transaction have been approved by a majority of the members of the Board of Directors of Borrower and by a majority of the disinterested directors, if any (and such majority or majorities, as the case may be, determines that such transaction satisfies the requirements set forth in subpart (i) hereof), and (iii) in the event such Affiliate Transaction involves an aggregate consideration in excess of Ten Million Dollars ($10,000,000), Borrower has received a written opinion from an independent investment banking, accounting or appraisal firm of nationally recognized standing that such Affiliate Transaction is either (A) not materially less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate or (B) fair to Borrower or such Subsidiary, as the case may be, from a financial point of view.

Section 5.18. *Use of Proceeds.* Borrower's use of the proceeds of the Loans shall be for working capital and other general corporate purposes of the Companies.

Section 5.19. *Corporate Names and Locations of Collateral.* No Company shall change its corporate name or its state, province or other jurisdiction of organization, unless, in each case, such Company shall have provided Agent and the Lenders with at least thirty (30) days prior written notice thereof. Borrower shall also provide Agent with at least thirty (30) days prior written notification of (a) any change in any location where any Company's Inventory or Equipment is maintained, and any new locations where any Company's Inventory or Equipment is to be maintained; (b) any change in the location of the office where any Company's records pertaining to its Accounts are kept; (c) the location of any new places of business and the changing or closing of any of its existing places of business; and (d) any change in the location of any Company's chief executive office. In the event of any of the foregoing or if deemed appropriate by Agent, Agent is hereby authorized to file new U.C.C. Financing Statements describing the Collateral and otherwise in form and substance sufficient for recordation wherever necessary or appropriate, as determined in Agent's sole discretion, to perfect or continue perfected the security interest of Agent, for the benefit of the Lenders, in the Collateral. Borrower shall pay all filing and recording fees and taxes in connection with the filing or recordation of such U.C.C. Financing Statements and security interests and shall promptly reimburse Agent therefor if Agent pays the same. Such amounts shall be Related Expenses hereunder.

Section 5.20. *Subsidiary Guaranties, Security Documents and Pledge of Stock or Other Ownership Interest.*

(a) *Guaranties and Security Documents.* Each Domestic Subsidiary (that is not a Dormant Subsidiary) created, acquired or held subsequent to the Closing Date, shall promptly execute and deliver to Agent, for the benefit of the Lenders, a Guaranty of Payment (or a Guaranty of Payment Joinder) of all of the Obligations and a Security Agreement (or a Security Agreement Joinder) and Mortgages, as appropriate, such agreements to be prepared by Agent and in form and substance acceptable to Agent, along with any such other supporting documentation, Security Documents, corporate governance and authorization documents, and an opinion of counsel as may be deemed necessary or advisable by Agent.

(b) *Pledge of Stock or Other Ownership Interest.* After the payment in full of the Indebtedness under the Senior Notes Documents, Borrower shall promptly deliver to Agent, for the benefit of the Lenders, all of the share certificates (or other evidence of equity) representing the Pledged Securities pursuant to the terms of a Pledge Agreement prepared by Agent and executed by the appropriate Credit Party.

(c) *Perfection or Registration of Interest in Foreign Shares.* With respect to any foreign shares pledged to Agent, for the benefit of the Lenders, at any time after the payment in full of the Indebtedness under the Senior Notes Documents, Agent shall at all times, in the discretion of Agent or the Required Lenders, have the right to perfect, at Borrower's cost, payable upon request therefor (including, without limitation, any foreign counsel, or foreign notary, filing, registration or similar, fees, costs or expenses), its security interest in such shares in the respective foreign jurisdiction. Such

perfection may include the requirement that the applicable Company promptly execute and deliver to Agent a separate pledge document (prepared by Agent and in form and substance satisfactory to Agent), covering such equity interests, that conforms to the requirements of the applicable foreign jurisdiction, together with an opinion of local counsel as to the perfection of the security interest provided for therein, and all other documentation necessary or desirable to effect the foregoing and to permit Agent to exercise any of its rights and remedies in respect thereof.

Section 5.21. *Collateral.* Each Credit Party shall:

(a) at all reasonable times allow Agent and the Lenders by or through any of Agent's officers, agents, employees, attorneys or accountants to (i) examine, inspect and make extracts from such Credit Party's books and other records, including, without limitation, the tax returns of such Credit Party, (ii) arrange for verification of such Credit Party's Accounts, under reasonable procedures, directly with Account Debtors or by other methods, (iii) examine and inspect such Credit Party's Inventory and Equipment, wherever located, and (iv) conduct Inventory appraisals;

(b) promptly furnish to Agent or any Lender upon request (i) additional statements and information with respect to the Collateral, and all writings and information relating to or evidencing any of such Credit Party's Accounts (including, without limitation, computer printouts or typewritten reports listing the mailing addresses of all present Account Debtors), and (ii) any other writings and information as Agent or such Lender may request;

(c) promptly notify Agent in writing upon the creation of any Accounts with respect to which the Account Debtor is the United States of America or any other Governmental Authority, or any business that is located in a foreign country;

(d) promptly notify Agent in writing upon the creation by any Credit Party of a Deposit Account or Securities Account not listed on *Schedule 6.19* hereto, and, prior to or simultaneously with the creation of such Deposit Account or Securities Account, provide for the execution of a Deposit Account Control Agreement or Securities Account Control Agreement with respect thereto, if required by Agent or the Required Lenders; provided that (i) no Deposit Account Control Agreement shall be required with respect to any Deposit Accounts of a Credit Party solely used to fund California payroll, (ii) all Deposit Accounts (other than as set forth in subpart (i) hereof or Section 4.3(e) hereof) of the Credit Parties shall be maintained with Agent, and (iii) with respect to any Securities Account opened by a Credit Party within sixty (60) days after the Closing Date, such Credit Party shall have thirty (30) days after the opening of such Securities Account to deliver a Securities Account Control Agreement with respect thereto;

(e) promptly notify Agent in writing whenever the Inventory of a Credit Party, valued in excess (on an aggregate basis for all such Inventory of all Credit Parties at such location) of Five Hundred Thousand Dollars ($500,000), is located at a location of a third party (other than another Company) that is not listed on *Schedule 6.9* hereto and, except where such Inventory is located at a location of the United States government, cause to be executed any Landlord's Waiver, Bailee's Waiver, Processor's Waiver or similar document or notice that may be required by Agent or the Required Lenders; provided that at no time shall the aggregate value of Inventory, located at locations of third parties (other than other Companies) for which an executed Landlord's Waiver, Bailee's Waiver, Processor's Waiver, or similar document (as appropriate, in Agent's discretion) has not been received by Agent, exceed One Million Dollars ($1,000,000).

(f) promptly notify Agent in writing of any information that the Credit Parties have or may receive with respect to the Collateral that might reasonably be determined to materially and adversely affect the value thereof or the rights of Agent and the Lenders with respect thereto;

(g) maintain such Credit Party's (i) Equipment in good operating condition and repair, ordinary wear and tear excepted, making all necessary replacements thereof so that the value and operating

efficiency thereof shall at all times be maintained and preserved, (ii) finished goods Inventory in saleable condition, and (iii) other items of Collateral, taken as an entirety, in such conditions as is consistent with generally accepted business practices, ordinary wear and tear excepted;

(h) deliver to Agent, to hold as security for the Secured Obligations all certificated Investment Property owned by a Credit Party, in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Agent, or in the event such Investment Property is in the possession of a Securities Intermediary or credited to a Securities Account, execute with the related Securities Intermediary a Securities Account Control Agreement over such Securities Account in favor of Agent, for the benefit of the Lenders, in form and substance satisfactory to Agent;

(i) provide to Agent, on a quarterly basis (as necessary or as requested by Agent), a list of any patents, trademarks or copyrights that have been federally registered by a Credit Party since the last list so delivered, and provide for the execution of an appropriate Intellectual Property Security Agreement; and

(j) upon request of Agent, promptly take such action and promptly make, execute and deliver all such additional and further items, deeds, assurances, instruments and any other writings as Agent may from time to time deem necessary or appropriate, including, without limitation, chattel paper, to carry into effect the intention of this Agreement, or so as to completely vest in and ensure to Agent and the Lenders their respective rights hereunder and in or to the Collateral.

Borrower hereby authorizes Agent, on behalf of the Lenders, to file U.C.C. Financing Statements or other appropriate notices with respect to the Collateral. If certificates of title or applications for title are issued or outstanding with respect to any of the Inventory or Equipment of Borrower, Borrower shall, upon request of Agent (but with respect to any Indenture Priority Collateral, only after payment in full of all Indebtedness owing under the Senior Notes), (i) execute and deliver to Agent a short form security agreement, in form and substance satisfactory to Agent, and (ii) deliver such certificate or application to Agent and cause the interest of Agent, for the benefit of the Lenders, to be properly noted thereon. Borrower hereby authorizes Agent or Agent's designated agent (but without obligation by Agent to do so) to incur Related Expenses (whether prior to, upon, or subsequent to any Default or Event of Default), and Borrower shall promptly repay, reimburse, and indemnify Agent and the Lenders for any and all Related Expenses. If Borrower fails to keep and maintain its Equipment in good operating condition, ordinary wear and tear excepted, Agent may (but shall not be required to) so maintain or repair all or any part of Borrower's Equipment and the cost thereof shall be a Related Expense. All Related Expenses are payable to Agent upon demand therefor; Agent may, at its option, debit Related Expenses directly to any Deposit Account of a Credit Party located at Agent.

Section 5.22. *Government Contracts.* Borrower shall, within the time period required by Section 5.3(h) hereof, notify Agent in writing whenever a new Assigned Government Contract comes into existence, and deliver to Agent (a) an executed Instrument of Assignment, and (b) an executed Notice of Assignment of Claims. With respect to any Government Contract that is not already subject to an Instrument of Assignment and a Notice of Assignment of Claim, at the request of Agent, upon the occurrence of an Event of Default, Borrower and any other Credit Party shall promptly execute and deliver to Agent (i) an Instrument of Assignment, and (ii) a Notice of Assignment of Claim. At the discretion of Agent or the Required Lenders, Agent may file, with the appropriate Governmental Authority, all Instruments of Assignment and Notices of Assignment of Claim required to be delivered to Agent under the terms of this Agreement, if (A) a Default or an Event of Default shall occur, or (B) the Revolving Credit Availability shall at any time be less than Ten Million Dollars ($10,000,000).

Section 5.23. *Commercial Tort Claims.* If Borrower shall at any time hold or acquire a Commercial Tort Claim, the recovery from which could reasonably be expected to exceed One Million Dollars ($1,000,000), Borrower shall promptly notify Agent thereof in a writing signed by Borrower, that sets forth the details thereof and grants to Agent (for the benefit of the Lenders) a Lien thereon and on the Proceeds thereof, all upon the terms of this Agreement, with such writing to be prepared by and in form and substance reasonably satisfactory to Agent.

Section 5.24. *Returns of Inventory.* No Credit Party shall return any Inventory to a supplier, vendor or other Person, whether for cash, credit or otherwise, unless (a) such return is in the ordinary course of business; (b) no Default or Event of Default exists or would result therefrom; (c) Agent is promptly notified if the aggregate value of all Inventory returned in any month exceeds Two Million Five Hundred Thousand Dollars ($2,500,000); and (d) any payment received by such Credit Party for a return is promptly remitted to Agent for application to the Obligations.

Section 5.25. *Acquisition, Sale and Maintenance of Inventory.* The Credit Parties shall take all steps to assure that all Inventory is produced in accordance with applicable laws, including the Fair Labor Standards Act (29 U.S.C. §§ 206-207). The Credit Parties shall use, store and maintain all Inventory with reasonable care and caution, in accordance with applicable standards of any insurance and in conformity with all applicable laws, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located.

Section 5.26. *Property Acquired Subsequent to the Closing Date and Right to Take Additional Collateral.* Borrower shall provide Agent with prompt written notice with respect to any real or personal property (other than in the ordinary course of business and excluding Accounts, Inventory, Equipment and General Intangibles and other property acquired in the ordinary course of business or any Investment Property that constitutes securities of a Foreign Subsidiary not required to be pledged pursuant to this Agreement) acquired by any Credit Party subsequent to the Closing Date. In addition to any other right that Agent and the Lenders may have pursuant to this Agreement or otherwise, upon written request of Agent, whenever made, Borrower shall, and shall cause each Guarantor of Payment to, grant to Agent, for the benefit of the Lenders, as additional security for the Secured Obligations, a first (or, in the case of the Indenture Priority Collateral, so long as the Intercreditor Agreement is in effect, a second) Lien on any real or personal property of Borrower and each Guarantor of Payment (other than for leased equipment or equipment subject to a purchase money security interest in which the lessor or purchase money lender of such equipment holds a first priority security interest, in which case, Agent shall have the right to obtain a security interest junior only to such lessor or purchase money lender), including, without limitation, such property acquired subsequent to the Closing Date, in which Agent does not have a first (or, in the case of the Indenture Priority Collateral, so long as the Intercreditor Agreement is in effect, a second) priority Lien. Borrower agrees that, within ten days after the date of such written request, to secure all of the Secured Obligations by delivering to Agent security agreements, intellectual property security agreements, pledge agreements, mortgages (or deeds of trust, if applicable) or other documents, instruments or agreements or such thereof as Agent may require with respect to any of the Credit Parties. Borrower shall pay all recordation, legal and other expenses in connection therewith.

Section 5.27. *Restrictive Agreements.* Except as set forth in this Agreement, Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) make, directly or indirectly, any Capital Distribution to Borrower, (b) make, directly or indirectly, loans or advances or capital contributions to Borrower or (c) transfer, directly or indirectly, any of the properties or assets of such Subsidiary to Borrower; except for such encumbrances or restrictions existing under or by reason of (i) applicable law, (ii) customary non-assignment provisions in leases or other agreements entered in the ordinary course of business and consistent with past practices, or (iii) customary restrictions in security agreements or mortgages securing Indebtedness, or capital leases,

of a Company to the extent such restrictions shall only restrict the transfer of the property subject to such security agreement, mortgage or lease.

Section 5.28. *Other Covenants and Provisions.* In the event that any Company shall enter into, or shall have entered into, any Material Indebtedness Agreement (including any Material Indebtedness Agreement existing on the Closing Date), wherein the covenants and defaults contained therein shall be more restrictive than the covenants and defaults set forth herein, then the Companies shall immediately be bound hereunder (without further action) by such more restrictive covenants and defaults with the same force and effect as if such covenants and defaults were written herein. In addition to the foregoing, Borrower shall provide prompt written notice to Agent of the creation or existence of any Material Indebtedness Agreement that has such more restrictive provisions, and shall, within fifteen (15) days thereafter (if requested by Agent), execute and deliver to Agent an amendment to this Agreement that incorporates such more restrictive provisions, with such amendment to be in form and substance satisfactory to Agent.

Section 5.29. *Pari Passu Ranking.* The Obligations shall, and Borrower shall take all necessary action to ensure that the Obligations shall, at all times, rank at least pari passu in right of payment with the Senior Notes and all other senior Indebtedness of each Credit Party.

Section 5.30. *Guaranty Under Material Indebtedness Agreement.* Notwithstanding anything herein to the contrary, no Company shall be or become a primary obligor or Guarantor of the Indebtedness incurred pursuant to the Senior Notes Documents or any other Material Indebtedness Agreement unless such Company shall also be a Guarantor of Payment under this Agreement prior to or concurrently therewith.

Section 5.31. *Senior Notes Documents.* Borrower shall not, without the prior written consent of Agent and the Required Lenders, (a) amend, restate, supplement or otherwise modify the Senior Notes Documents to (i) increase the principal amount outstanding thereunder, unless the amount of such increase shall be permitted pursuant to Section 5.8 hereof, (ii) change the date of any principal or interest payment to an earlier date, or (iii) otherwise modify any provision such that a Default or Event of Default will exist, or (b) allow any Senior Notes Documents to contain a provision that provides for a cross-default to this Agreement; provided that the Senior Notes Documents may contain a provision that provides for cross-acceleration with this Agreement.

Section 5.32. *Amendment of Organizational Documents.* Without the prior written consent of Agent, no Credit Party shall (a) amend its Organizational Documents in any manner adverse to the Lenders, or (b) amend its Organizational Documents to change its name or state, province or other jurisdiction of organization.

Section 5.33. *Fiscal Year of Borrower.* Borrower shall not change the date of its fiscal year-end without the prior written consent of Agent. As of the Closing Date, the fiscal year end of Borrower is the Sunday nearest to December 31 of each year; provided that Borrower may change the date of its fiscal year end to another date that is within seven days of December 31.

Section 5.34. *Further Assurances.* Borrower shall, and shall cause each other Credit Party to, promptly upon request by Agent, or the Required Lenders through Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments related to the Collateral as Agent, or the Required Lenders through Agent, may reasonably require from time to time in order to carry out more effectively the purposes of the Loan Documents.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.1. *Corporate Existence; Subsidiaries; Foreign Qualification.* Each Company is duly organized, validly existing, and in good standing (or comparable concept in the applicable jurisdiction) under the laws of its state or jurisdiction of incorporation or organization, and is duly qualified and authorized to do business and is in good standing (or comparable concept in the applicable jurisdiction) as a foreign entity in the jurisdictions set forth opposite its name on *Schedule 6.1* hereto, which are all of the states or jurisdictions where the character of its property or its business activities makes such qualification necessary, except where a failure to so qualify would not reasonably be expected to have a Material Adverse Effect. *Schedule 6.1* hereto sets forth, as of the Closing Date, each Subsidiary of Borrower (and whether such Subsidiary is a Dormant Subsidiary), its state (or jurisdiction) of formation, its relationship to Borrower, including the percentage of each class of stock or other equity interest owned by a Company, each Person that owns the stock or other equity interest of each Company, the location of its chief executive office and its principal place of business. Borrower, directly or indirectly, owns all of the equity interests of each of its Subsidiaries (excluding directors' qualifying shares and, in the case of Foreign Subsidiaries, other nominal amounts of shares held by a Person other than a Company).

Section 6.2. *Corporate Authority.* Each Credit Party has the right and power and is duly authorized and empowered to enter into, execute and deliver the Loan Documents to which it is a party and to perform and observe the provisions of the Loan Documents. The Loan Documents to which each Credit Party is a party have been duly authorized and approved by such Credit Party's board of directors or other governing body, as applicable, and are the valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms. The execution, delivery and performance of the Loan Documents do not conflict with, result in a breach in any of the provisions of, constitute a default under, or result in the creation of a Lien (other than Liens permitted under Section 5.9 hereof) upon any assets or property of any Company under the provisions of, such Company's Organizational Documents or any material agreement to which such Company is a party.

Section 6.3. *Compliance with Laws and Contracts.* Each Company:

(a) holds permits, certificates, licenses, orders, registrations, franchises, authorizations, and other approvals from any Governmental Authority necessary for the conduct of its business and is in compliance with all applicable laws relating thereto, except where the failure to do so would not have a Material Adverse Effect;

(b) is in compliance with all federal, state, local, or foreign applicable statutes, rules, regulations, and orders including, without limitation, those relating to environmental protection (except as otherwise disclosed in the Phase I report delivered to Agent), occupational safety and health, and equal employment practices, except where the failure to be in compliance would not have a Material Adverse Effect;

(c) is not in violation of or in default under any agreement to which it is a party or by which its assets are subject or bound, except with respect to any violation or default that would not have a Material Adverse Effect;

(d) has ensured that no Person who owns a controlling interest in a Company or otherwise controls a Company and no executive officer or director of Borrower is (i) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, or any other similar lists maintained by OFAC pursuant to any authorizing statute, executive order or regulation, or (ii) a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar executive orders;

(e) is in compliance with all applicable Bank Secrecy Act ("BSA") and anti-money laundering laws and regulations; and

(f) is in compliance with the Patriot Act.

Section 6.4. *Litigation and Administrative Proceedings.* Except as disclosed on *Schedule 6.4* hereto, there are (a) no lawsuits, actions, investigations, examinations or other proceedings pending or, to the knowledge of Borrower, threatened against any Company, or in respect of which any Company may have any liability, in any court or before or by any Governmental Authority, arbitration board, or other tribunal that could reasonably be expected to have a Material Adverse Effect, (b) no orders, writs, injunctions, judgments, or decrees of any court or Governmental Authority to which any Company is a party or by which the property or assets of any Company are bound that could reasonably be expected to have a Material Adverse Effect, and (c) no grievances, disputes, or controversies outstanding with any union or other organization of the employees of any Company, or threats of work stoppage, strike, or pending demands for collective bargaining that could reasonably be expected to have a Material Adverse Effect.

Section 6.5. *Title to Assets.* Each Company has good title to and ownership of all property it purports to own, which property is free and clear of all Liens, except those permitted under Section 5.9 hereof. As of the Closing Date, the Companies own the real property listed on *Schedule 6.5* hereto.

Section 6.6. *Liens and Security Interests.* On and after the Closing Date, except for Liens permitted pursuant to Section 5.9 hereof, (a) there is and will be no U.C.C. Financing Statement or similar notice of Lien outstanding covering any personal property of any Company; (b) there is and will be no mortgage outstanding covering any real property of any Company; and (c) no real or personal property of any Company is subject to any Lien of any kind. Agent, for the benefit of the Lenders, upon the filing of the U.C.C. Financing Statements and taking such other actions necessary to perfect its Lien against Collateral of the corresponding type as authorized hereunder will have a valid and enforceable first Lien on the Collateral (or, with respect to the Indenture Priority Collateral, so long as the Intercreditor Agreement is in effect, a second lien subject only to the first lien of the Indenture Agent, on behalf of the Senior Noteholders). No Company has entered into any contract or agreement (other than a contract or agreement entered into in connection with the purchase or lease of fixed assets that prohibits Liens on such fixed assets or a contract or agreement entered into in the ordinary course of business that does not permit Liens on, or collateral assignment of, the property relating to such contract or agreement) that exists on or after the Closing Date that would prohibit Agent or the Lenders from acquiring a Lien on, or a collateral assignment of, any of the property or assets of any Company.

Section 6.7. *Tax Returns.* All federal, state, provincial and local tax returns and other reports required by law to be filed in respect of the income, business, properties and employees of each Company have been filed and all taxes, assessments, fees and other governmental charges that are due and payable have been paid, except as otherwise permitted herein. The provision for taxes on the books of each Company is adequate for all years not closed by applicable statutes and for the current fiscal year.

Section 6.8. *Environmental Laws.* Except as set forth in the Environmental Disclosure Letter, each Company is in material compliance with all Environmental Laws, including, without limitation, all Environmental Laws in all jurisdictions in which any Company owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. Except as set forth in the Environmental Disclosure Letter, no litigation or proceeding arising under, relating to or in connection with any Environmental Law or Environmental Permit is pending or, to the best knowledge of each Company, threatened, against any Company, any real property in which any Company holds or

has held an interest or any past or present operation of any Company. Except as set forth in the Environmental Disclosure Letter, no material release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred (other than those that are currently being remediated in accordance with Environmental Laws), on, under or to any real property in which any Company holds any interest or performs any of its operations, in violation of any Environmental Law. As used in this Section 6.8, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any Governmental Authority or private Person, or otherwise.

Section 6.9. *Locations.* As of the Closing Date, the Companies have places of business or maintain their Accounts, Inventory and Equipment at the locations (including third party locations) set forth on *Schedule 6.9* hereto, and each Company's chief executive office is set forth on *Schedule 6.9* hereto. *Schedule 6.9* hereto further specifies whether each location, as of the Closing Date, (a) is owned by the Companies, or (b) is leased by a Company from a third party, and, if leased by a Company from a third party, if a Landlord's Waiver has been requested. As of the Closing Date, *Schedule 6.9* hereto correctly identifies the name and address of each third party location where assets of the Companies are located.

Section 6.10. *Continued Business.* There exists no actual, pending, or, to Borrower's knowledge, any threatened termination, cancellation or limitation of, or any modification or change in the business relationship of any Company and any customer or supplier, or any group of customers or suppliers, whose purchases or supplies, individually or in the aggregate, are material to the business of any Company, and there exists no present condition or state of facts or circumstances that would have a Material Adverse Effect or prevent a Company from conducting such business or the transactions contemplated by this Agreement in substantially the same manner in which it was previously conducted.

Section 6.11. *Employee Benefits Plans.*

(a) *US Employee Benefit Plans.* *Schedule 6.11* hereto identifies each ERISA Plan as of the Closing Date. No ERISA Event has occurred or is expected to occur with respect to an ERISA Plan. Full payment has been made of all amounts that a Controlled Group member is required, under applicable law or under the governing documents, to have paid as a contribution to or a benefit under each ERISA Plan. The liability of each Controlled Group member with respect to each ERISA Plan has been fully funded based upon reasonable and proper actuarial assumptions, has been fully insured, or has been fully reserved for on its financial statements. No changes have occurred or are expected to occur that would cause a material increase in the cost of providing benefits under the ERISA Plan. With respect to each ERISA Plan that is intended to be qualified under Code Section 401(a), (a) the ERISA Plan and any associated trust operationally comply with the applicable requirements of Code Section 401(a); (b) the ERISA Plan and any associated trust have been amended to comply with all such requirements as currently in effect, other than those requirements for which a retroactive amendment can be made within the "remedial amendment period" available under Code Section 401(b) (as extended under Treasury Regulations and other Treasury pronouncements upon which taxpayers may rely); (c) the ERISA Plan and any associated trust have received a favorable determination letter from the Internal Revenue Service stating that the ERISA Plan qualifies under Code Section 401(a), that the associated trust qualifies under Code Section 501(a) and, if applicable, that any cash or deferred arrangement under the ERISA Plan qualifies under Code Section 401(k), unless the ERISA Plan was first adopted at a time for which the above-described "remedial amendment period" has not yet expired; (d) the ERISA Plan currently satisfies the requirements of Code Section 410(b), without regard to any retroactive amendment that may be made within the above-described "remedial amendment period"; and (e) no contribution made to the ERISA Plan is subject to an excise tax under Code Section 4972. With respect to any Pension Plan, the "accumulated benefit obligation" of Controlled Group members with respect to the Pension Plan (as determined in

accordance with Statement of Accounting Standards No. 87, "Employers' Accounting for Pensions") does not exceed the fair market value of Pension Plan assets.

(b) *Foreign Pension Plan and Benefit Plans.* As of the Closing Date, *Schedule 6.11* hereto lists all Foreign Benefit Plans and Foreign Pension Plans currently maintained or contributed to by Borrower and any appropriate Foreign Subsidiaries. The Foreign Pension Plans are duly registered under all applicable laws which require registration. Borrower and any appropriate Foreign Subsidiaries have complied with and performed all of its obligations under and in respect of the Foreign Pension Plans and Foreign Benefit Plans under the terms thereof, any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations) except to the extent as would not reasonably be expected to have a Material Adverse Effect. All employer and employee payments, contributions or premiums to be remitted, paid to or in respect of each Foreign Pension Plan or Foreign Benefit Plan have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect. There are no outstanding actions or suits concerning the assets of the Foreign Pension Plans or the Foreign Benefit Plans. Each of the Foreign Pension Plans is fully funded on an ongoing basis as required by all laws applicable to such Foreign Pension Plans (using actuarial methods and assumptions as of the date of the valuations last filed with the applicable Governmental Authorities and that are consistent with generally accepted actuarial principles).

Section 6.12. *Consents or Approvals.* No consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person is required to be obtained or completed by any Company in connection with the execution, delivery or performance of any of the Loan Documents, that has not already been obtained or completed.

Section 6.13. *Solvency.* Borrower has received consideration that is the reasonably equivalent value of the obligations and liabilities that Borrower has incurred to Agent and the Lenders. Borrower is not insolvent as defined in any applicable state, federal or relevant foreign statute, nor will Borrower be rendered insolvent by the execution and delivery of the Loan Documents to Agent and the Lenders. Borrower is not engaged or about to engage in any business or transaction for which the assets retained by it are or will be an unreasonably small amount of capital, taking into consideration the obligations to Agent and the Lenders incurred hereunder. Borrower does not intend to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature.

Section 6.14. *Financial Statements.* The audited Consolidated financial statements of Borrower, for the fiscal year ended December 27, 2009 and the unaudited Consolidated financial statements of Borrower for the Quarterly Reporting Period ended March 28, 2010, furnished to Agent and the Lenders, are true and complete, have been prepared in accordance with GAAP, and fairly present the financial condition of the Companies as of the dates of such financial statements and the results of their operations for the periods then ending. Since the dates of such statements, there has been no material adverse change in any Company's financial condition, properties or business or any change in any Company's accounting procedures.

Section 6.15. *Regulations.* No Company is engaged principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States of America). Neither the granting of any Loan (or any conversion thereof) or Letter of Credit nor the use of the proceeds of any Loan or Letter of Credit will violate, or be inconsistent with, the provisions of Regulation T, U or X or any other Regulation of such Board of Governors.

Section 6.16. *Material Agreements.* Except as disclosed on *Schedule 6.16* hereto, as of the Closing Date, no Company is a party to any (a) debt instrument (excluding the Loan Documents); (b) lease

(capital, operating or otherwise), whether as lessee or lessor thereunder; (c) contract, commitment, agreement, or other arrangement involving the purchase or sale of any inventory by it, or the license of any right to or by it; (d) contract, commitment, agreement, or other arrangement with any of its "Affiliates" (as such term is defined in the Exchange Act) other than a Company; (e) management or employment contract or contract for personal services with any of its Affiliates that is not otherwise terminable at will or on less than ninety (90) days' notice without liability; (f) collective bargaining agreement; or (g) other contract, agreement, understanding, or arrangement with a third party; that, as to subsections (a) through (g) above, if violated, breached, or terminated for any reason, would have or would be reasonably expected to have a Material Adverse Effect.

Section 6.17. *Intellectual Property.* Each Company owns, or has the right to use, all of the patents, patent applications, industrial designs, designs, trademarks, service marks, copyrights and licenses, and rights with respect to the foregoing, necessary for the conduct of its business without any known conflict with the rights of others. *Schedule 6.17* hereto sets forth all federally registered patents, trademarks, copyrights, service marks and license agreements owned by Borrower or any Domestic Subsidiary as of the Closing Date.

Section 6.18. *Insurance.* Each Company maintains with financially sound and reputable insurers insurance with coverage and limits as required by law and as is customary with Persons engaged in the same businesses as the Companies. *Schedule 6.18* hereto sets forth all insurance carried by the Companies on the Closing Date, setting forth in detail the amount and type of such insurance.

Section 6.19. *Deposit and Securities Accounts.* *Schedule 6.19* hereto lists all banks, other financial institutions and Securities Intermediaries at which Borrower or any Domestic Subsidiary maintains Deposit Accounts or Securities Accounts as of the Closing Date, and *Schedule 6.19* hereto correctly identifies the name, address and telephone number of each such financial institution or Securities Intermediary, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

Section 6.20. *Accurate and Complete Statements.* Neither the Loan Documents nor any written statement made by any Company in connection with any of the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or in the Loan Documents not misleading. After due inquiry by Borrower, there is no known fact that any Company has not disclosed to Agent and the Lenders that has or is likely to have a Material Adverse Effect.

Section 6.21. *Senior Notes Documents.* No "default" or "event of default" (as each term is defined in any Senior Notes Document), or event with which the passage of time or the giving of notice, or both, would cause a default or event of default, exists, nor will exist immediately after the granting of any Loan or the issuance of any Letter of Credit under this Agreement.

Section 6.22. *Investment Company; Other Restrictions.* No Company is (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) subject to any foreign, federal, state or local statute or regulation limiting its ability to incur Indebtedness.

Section 6.23. *Assigned Government Contracts.* *Schedule 6.23* hereto sets forth a true, correct and complete list of all Assigned Government Contracts in effect on the Closing Date. All such Assigned Government Contracts, together with any updates provided pursuant to Section 5.3(h) hereof, are in full force and effect and no defaults currently exist thereunder (other than as described in *Schedule 6.23* hereto or in such updates). Except as set forth in *Schedule 6.23*, no Assigned Government Contract (a) contains any provision permitting reduction or set offs of amounts to be paid thereunder, (b) contains any provision restricting assignments of sums due thereunder to Agent, or (c) has been assigned to any other Person.

Section 6.24. *Pledged Notes.* Each Pledged Note constitutes a valid obligation of the maker thereof, and is enforceable according to its tenor and free from any defense or offset of any kind. No default has occurred under any Pledged Note. Each Credit Party has a valid, duly perfected security interest in and lien on all of the property that serves to secure its Pledged Notes. Each Credit Party's security interest constitutes the first and only lien upon such property and, to such Credit Party's knowledge, constitutes the first and only lien upon such property and, to such Credit Party's knowledge, no other party claims to have any right, title or interest of any kind in or to such property other than such Credit Party. No Credit Party has any obligations to make any further or additional loans or advances to, or purchases of securities from, any maker with respect to any of the Pledged Notes of such Credit Party. No Pledged Note of any Credit Party is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any Person.

Section 6.25. *Pledged Securities.*

(a) Each Credit Party is the legal record and beneficial owner of, and has good and marketable title to, the Pledged Securities such Credit Party purports to own, and such Pledged Securities are not subject to any pledge, lien, mortgage, hypothecation, security interest, charge, option, warrant or other encumbrance whatsoever, nor to any agreement purporting to grant to any third party a security interest in the property or assets of such Credit Party that would include such Pledged Securities, except as permitted pursuant to this Agreement.

(b) All of the Pledged Securities have been duly authorized and validly issued, and are fully paid and non-assessable.

(c) If the Pledged Securities are "restricted securities" within the meaning of Rule 144, or any amendment thereof, promulgated under the Securities Act of 1933, as amended, as determined by counsel for any Credit Party, such Credit Party further represents and warrants that (a) such Credit Party has been the beneficial owner of the Pledged Securities for a period of at least one year prior to the date hereof, (b) the full purchase price or other consideration for the Pledged Securities has been paid or given at least one year prior to the date hereof, and (c) such Credit Party does not have a short position in or any put or other option to dispose of any securities of the same class as the Pledged Securities or any other securities convertible into securities of such class.

Section 6.26. *Defaults.* No Default or Event of Default exists hereunder, nor will any begin to exist immediately after the execution and delivery hereof.

ARTICLE VII. SECURITY

Section 7.1. *Security Interest in Collateral.* In consideration of and as security for the full and complete payment of all of the Secured Obligations, Borrower hereby grants to Agent, for the benefit of the Lenders, a security interest in the Collateral.

Section 7.2. *Cash Management System.* Borrower shall establish and maintain, until the payment in full of the Secured Obligations and the termination of the Commitment, the cash management systems described below:

(a) *Lockbox.* On or before the date specified in Section 4.3(a) hereof, the Credit Parties shall (i) establish a lockbox arrangement with Agent, on behalf of the Lenders (one or more lockboxes hereunder collectively referred to herein as the "Lockbox"), which shall be governed by the Master Agreement, and, within sixty (60) days after the Closing Date, shall request in writing and otherwise take such reasonable steps to ensure that all Account Debtors forward all Collections either (A) directly to the Lockbox, or (B) directly to one or more Cash Collateral Accounts by wire transfer (if the Credit Parties neglect or refuse to notify any such Account Debtor to remit all such Collections to the Lockbox, Agent shall be entitled to make such notification), (ii) hold in trust for Agent, as

fiduciary for Agent, all checks, cash and other items of payment received by the Credit Parties, and (iii) not commingle any Collections with any other funds or property of the Credit Parties, but will hold such funds separate and apart in trust and as fiduciary for Agent until deposit is made into the Cash Collateral Accounts.

(b) *Cash Collateral Accounts.* On or before the date specified in Section 4.3(a) hereof, the Credit Parties shall have established one or more Cash Collateral Accounts with Agent, on behalf of the Lenders. All Collections from sales of Inventory and services rendered or from Account Debtors sent to the Lockbox shall be deposited directly on a daily basis, and in any event no later than the first Business Day after the date of receipt thereof, into the Cash Collateral Accounts in the identical form in which such Collections were made (except for any necessary endorsements) whether by cash or check. All amounts deposited in the Cash Collateral Accounts from the Lockbox or any other source shall be under the sole and exclusive control of Agent. The Credit Parties shall have no interest in or control over such funds. The Cash Collateral Account shall not be subject to any deduction, set off, banker's lien or any other right in favor of any Person other than Agent. At all times other than during a Non-Transfer Period, all amounts deposited in the Cash Collateral Account shall be deposited into the Operating Accounts on a daily basis.

(c) *Operating Account.* Borrower shall maintain, in its name, one or more Operating Accounts with Agent, into which account Agent shall, from time to time, deposit proceeds of the Revolving Loans made to Borrower for use by the Companies in accordance with the provisions of Section 5.18 hereof. Unless otherwise agreed by Agent and Borrower, any Revolving Loan requested by Borrower and made under this Agreement shall be deposited into the Operating Account. During a Non- Transfer Period, Borrower shall not accumulate or maintain cash in the Operating Accounts or payroll or other such accounts, as of any date of determination, in excess of checks outstanding against the Controlled Disbursement Account (or Controlled Disbursement Accounts) and other deposit accounts approved by Agent (such as medical benefit accounts, flexible spending accounts and automated clearing house accounts) as of that date, and amounts necessary to meet minimum balance requirements; provided that, notwithstanding the foregoing, Borrower may maintain cash in the Operating Accounts at any time there are no Loans outstanding and at all times other than during a Non-Transfer Period.

(d) *Controlled Disbursement Accounts.* The Credit Parties shall maintain, in the name of Borrower, one or more Controlled Disbursement Accounts with Agent. During any Non-Transfer Period, (i) Borrower shall base its requests for Revolving Loans on, among other things, the daily balance of the Controlled Disbursement Account (or Controlled Disbursement Accounts); and (ii) Borrower shall not, and shall not cause or permit any Company to, maintain cash in any Controlled Disbursement Account, as of any date of determination, in excess of checks outstanding against such account as of that date, and amounts necessary to meet minimum balance requirements.

(e) *Lockbox and Security Accounts.* The Lockbox established pursuant to the Lockbox agreement and the Cash Collateral Accounts, the Operating Accounts and the Controlled Disbursement Accounts shall be Security Accounts, with all cash, checks and other similar items of payment in such accounts securing payment of the Secured Obligations.

(f) *Costs of Collection.* All service charges and costs related to the establishment and maintenance of the Security Accounts shall be the sole responsibility of Borrower, whether the same are incurred by Agent or the Credit Parties. The Credit Parties hereby indemnifies and holds Agent harmless from and against any loss or damage with respect to any deposits made in the Security Accounts that are dishonored or returned for any reason. If any deposits are dishonored or returned unpaid for any reason, Agent, in its sole discretion, may charge the amount thereof against the Cash Collateral Accounts or any other Security Account or other Deposit Account of the Credit Parties. Agent shall not be liable for any loss or damage resulting from any error, omission, failure or

negligence on the part of Agent, except losses or damages resulting from Agent's own gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction.

(g) *Return of Funds.* Upon the payment in full of the Secured Obligations (other than continuing indemnification obligations) and the termination of the Commitment hereunder, (i) Agent's security interests and other rights in funds in the Security Accounts shall terminate, (ii) all rights to such funds shall revert to the Credit Parties, as applicable, and (iii) Agent will, at Borrower's expense, take such steps as Borrower may reasonably request to evidence the termination of such security interests and to effect the return to the Credit Parties of such funds.

(h) *Attorney-in-Fact to Endorse Documents.* Agent, or Agent's designated agent, is hereby constituted and appointed attorney-in-fact for each Credit Party with authority and power to endorse any and all instruments, documents, and chattel paper upon the failure of such Credit Party to do so. Such authority and power, being coupled with an interest, shall be (i) irrevocable until all of the Secured Obligations are paid, (ii) exercisable by Agent at any time and without any request upon any Credit Party by Agent to so endorse, and (iii) exercisable in the name of Agent or any Credit Party. Each Credit Party hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Agent shall not be bound or obligated to take any action to preserve any rights therein against prior parties thereto.

Section 7.3. *Collections and Receipt of Proceeds by Agent.* Each Credit Party hereby constitutes and appoints Agent, or Agent's designated agent, as Borrower's attorney-in-fact to exercise, at any time, all or any of the following powers which, being coupled with an interest, shall be irrevocable until the complete and full payment of all of the Secured Obligations:

(a) to receive, retain, acquire, take, endorse, assign, deliver, accept, and deposit, in the name of Agent or such Credit Party, any and all of such Credit Party's cash, instruments, chattel paper, documents, Proceeds of Accounts, Proceeds of Inventory, collection of Accounts, and any other writings relating to any of the Collateral. Each Credit Party hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof. Agent shall not be bound or obligated to take any action to preserve any rights therein against prior parties thereto;

(b) to transmit to Account Debtors, on any or all of such Credit Party's Accounts, after the occurrence of an Event of Default, notice of assignment to Agent, for the benefit of the Lenders, thereof and the security interest therein, and to request from such Account Debtors at any time, in the name of Agent or such Credit Party, information concerning Borrower's Accounts and the amounts owing thereon;

(c) after the occurrence of an Event of Default, to transmit to purchasers of any or all of such Credit Party's Inventory, notice of Agent's security interest therein, and to request from such purchasers at any time, in the name of Agent or such Credit Party, information concerning such Credit Party's Inventory and the amounts owing thereon by such purchasers;

(d) after the occurrence of an Event of Default, to notify and require Account Debtors on such Credit Party's Accounts and purchasers of such Credit Party's Inventory to make payment of their indebtedness directly to Agent;

(e) after the occurrence of an Event of Default, to take or bring, in the name of Agent or such Credit Party, all steps, actions, suits, or proceedings deemed by Agent necessary or desirable to effect the receipt, enforcement, and collection of the Collateral; and

(f) to accept all collections in any form relating to the Collateral, including remittances that may reflect deductions, and to deposit the same into such Credit Party's Cash Collateral Account or, at the

option of Agent, to apply them as a payment against the Loans or any other Secured Obligations in accordance with this Agreement.

Section 7.4. *Agent's Authority Under Pledged Notes.* For the better protection of Agent and the Lenders hereunder, each Credit Party, as appropriate, has executed (or will execute, with respect to future Pledged Notes) an appropriate endorsement on (or separate from) each Pledged Note and has deposited (or will deposit, with respect to future Pledged Notes) such Pledged Note with Agent, for the benefit of the Lenders. Such Credit Party irrevocably authorizes and empowers Agent, for the benefit of the Lenders, to, after the occurrence and during the continuation of an Event of Default, (a) ask for, demand, collect and receive all payments of principal of and interest on the Pledged Notes; (b) compromise and settle any dispute arising in respect of the foregoing; (c) execute and deliver vouchers, receipts and acquittances in full discharge of the foregoing; (d) exercise, in Agent's discretion, any right, power or privilege granted to the holder of any Pledged Note by the provisions thereof including, without limitation, the right to demand security or to waive any default thereunder; (e) endorse such Credit Party's name to each check or other writing received by Agent as a payment or other proceeds of or otherwise in connection with any Pledged Note; (f) enforce delivery and payment of the principal and/or interest on the Pledged Notes, in each case by suit or otherwise as Agent may desire; and (g) enforce the security, if any, for the Pledged Notes by instituting foreclosure proceedings, by conducting public or other sales or otherwise, and to take all other steps as Agent, in its discretion, may deem advisable in connection with the forgoing; provided, however, that nothing contained or implied herein or elsewhere shall obligate Agent to institute any action, suit or proceeding or to make or do any other act or thing contemplated by this Section 7.4 or prohibit Agent from settling, withdrawing or dismissing any action, suit or proceeding or require Agent to preserve any other right of any kind in respect of the Pledged Notes and the security, if any, therefor.

Section 7.5. *Use of Inventory and Equipment.* Until the exercise by Agent and the Required Lenders of their rights under Article IX hereof, each Credit Party may (a) retain possession of and use its Inventory and Equipment in any lawful manner not inconsistent with this Agreement or with the terms, conditions, or provisions of any policy of insurance thereon; (b) sell or lease its Inventory in the ordinary course of business or as otherwise permitted by this Agreement; and (c) use and consume any raw materials or supplies, the use and consumption of which are necessary in order to carry on such Credit Party's business.

ARTICLE VIII. EVENTS OF DEFAULT

Any of the following specified events shall constitute an Event of Default (each an "Event of Default"):

Section 8.1. *Payments.* If (a) the interest on any Loan, any commitment or other fee, or any other Obligation not listed in subpart (b) hereof, shall not be paid in full when due and payable or within three Business Days thereafter, or (b) the principal of any Loan or any obligation under any Letter of Credit shall not be paid in full when due and payable.

Section 8.2. *Special Covenants.* If any Company shall fail or omit to perform and observe Section 5.7, 5.8, 5.9, 5.11, 5.12, 5.13, 5.15, 5.18, 5.21(a), 5.27, 5.28, 5.29, 5.30 or 5.31 hereof.

Section 8.3. *Other Covenants.*

(a) If any Company shall fail or omit to perform and observe Section 5.3 or 5.4, and that Default shall not have been fully corrected within five days after the earlier of (i) any Financial Officer of such Company becomes aware of the occurrence thereof, or (ii) the giving of written notice thereof to Borrower by Agent that the specified Default is to be remedied.

(b) If any Company shall fail or omit to perform or observe any agreement or other provision (other than those referred to in Section 8.1, 8.2 or 8.3(a) hereof) contained or referred to in this

Agreement or any Related Writing that is on such Company's part to be complied with, and that Default shall not have been fully corrected within fifteen (15) days after the earlier of (i) any Financial Officer of such Company becomes aware of the occurrence thereof, or (ii) the giving of written notice thereof to Borrower by Agent or the Required Lenders that the specified Default is to be remedied.

Section 8.4. *Representations and Warranties.* If any representation, warranty or statement made in or pursuant to this Agreement or any Related Writing or any other material information furnished by any Company to Agent or the Lenders, or any thereof, shall be false or erroneous.

Section 8.5. *Cross Default.*

(a) If any Company shall default in the payment of principal or interest due and owing under any Material Indebtedness Agreement beyond any period of grace provided with respect thereto or in the performance or observance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to allow the acceleration of the maturity of such Indebtedness or to permit the holder thereof to cause such Indebtedness to become due prior to its stated maturity; or

(b) If an "event of default", a "default" or an event with which the passage of time or the giving of notice, or both, would cause a default or event of default (other than defaults that have been cured within applicable grace periods or have otherwise been waived in writing) shall occur under the Senior Notes Documents.

Section 8.6. *ERISA Default.* The occurrence of one or more ERISA Events that (a) the Required Lenders determine could have a Material Adverse Effect, or (b) results in a Lien on any of the assets of any Company.

Section 8.7. *Change in Control.* If any Change in Control shall occur.

Section 8.8. *Judgments.* There is entered against any Company:

(a) a final judgment or order for the payment of money by a court of competent jurisdiction, that remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) of thirty (30) days after the date on which the right to appeal has expired, provided that the aggregate of all such judgments for all such Companies, shall exceed the lesser of (i) the Revolving Credit Availability, or (ii) Three Million Five Hundred Thousand Dollars ($3,500,000) (less any amount that will be covered by the proceeds of insurance and is not subject to dispute by the insurance provider); or

(b) any one or more non-monetary final judgments that are not covered by insurance, or, if covered by insurance, for which the insurance company has not agreed to or acknowledged coverage, and that, in either case, the Required Lenders reasonably determine have, or could be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (i) enforcement proceedings are commenced by the prevailing party or any creditor upon such judgment or order, or (ii) there is a period of three consecutive Business Days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

Section 8.9. *Material Adverse Change.* There shall have occurred any condition or event that Agent or the Required Lenders determine has or is reasonably likely to have a Material Adverse Effect.

Section 8.10. *Security.* If any Lien granted in this Agreement or any other Loan Document in favor of Agent, for the benefit of the Lenders, shall be determined to be (a) void, voidable or invalid, or is subordinated or not otherwise given the priority contemplated by this Agreement and the Intercreditor Agreement and Borrower (or the appropriate Credit Party) has failed to promptly execute appropriate documents to correct such matters, or (b) unperfected as to any material amount of

Collateral (as determined by Agent, in its reasonable discretion) and Borrower (or the appropriate Credit Party) has failed to promptly execute appropriate documents to correct such matters.

Section 8.11. *Validity of Loan Documents.* If (a) any material provision, in the sole opinion of Agent, of any Loan Document shall at any time cease to be valid, binding and enforceable against any Credit Party; (b) the validity, binding effect or enforceability of any Loan Document against any Credit Party shall be contested by any Credit Party; (c) any Credit Party shall deny that it has any or further liability or obligation under any Loan Document; or (d) any Loan Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to Agent and the Lenders the benefits purported to be created thereby.

Section 8.12. *Solvency.* If any Company (other than a Dormant Subsidiary) shall (a) except as permitted pursuant to Section 5.12 hereof, discontinue business; (b) generally not pay its debts as such debts become due; (c) make a general assignment for the benefit of creditors; (d) apply for or consent to the appointment of an interim receiver, a receiver, a receiver and manager, an administrator, sequestrator, monitor, a custodian, a trustee, an interim trustee, liquidator, agent or other similar official of all or a substantial part of its assets or of such Company; (e) be adjudicated a debtor or insolvent or have entered against it an order for relief under the Bankruptcy Code, or under any other bankruptcy insolvency, liquidation, winding-up, corporate or similar statute or law, foreign, federal, state or provincial, in any applicable jurisdiction, now or hereafter existing, as any of the foregoing may be amended from time to time, or other applicable statute for jurisdictions outside of the United States, as the case may be; (f) file a voluntary petition under the Bankruptcy Code or seek relief under any bankruptcy or insolvency or analogous law in any jurisdiction outside of the United States, or file a proposal or notice of intention to file such petition; (g) have an involuntary proceeding under the Bankruptcy Code filed against it and the same shall not be controverted within ten days, or shall continue undismissed for a period of sixty (60) days from commencement of such proceeding or case; (h) file a petition, an answer, an application or a proposal seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors; (i) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, that approves a petition or an application or a proposal seeking its reorganization or appoints an interim receiver, a receiver and manager, an administrator, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or of such Company; (j) have an administrative receiver appointed over the whole or substantially the whole of its assets, or of such Company; (k) have assets, the value of which is less than its liabilities (taking into account prospective and contingent liabilities, and rights of contribution from other Persons); or (l) have a moratorium declared in respect of any of its Indebtedness, or any analogous procedure or step is taken in any jurisdiction.

ARTICLE IX. REMEDIES UPON DEFAULT

Notwithstanding any contrary provision or inference herein or elsewhere:

Section 9.1. *Optional Defaults.* If any Event of Default referred to in Section 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10 or 8.11 hereof shall occur, Agent may, with the consent of the Required Lenders, and shall, at the written request of the Required Lenders, give written notice to Borrower to:

(a) terminate the Commitment, if not previously terminated, and, immediately upon such election, the obligations of the Lenders, and each thereof, to make any further Loan, and the obligation of the Fronting Lender to issue any Letter of Credit, immediately shall be terminated; and/or

(b) accelerate the maturity of all of the Obligations (if the Obligations are not already due and payable), whereupon all of the Obligations shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by Borrower.

Section 9.2. *Automatic Defaults.* If any Event of Default referred to in Section 8.12 hereof shall occur:

(a) all of the Commitment shall automatically and immediately terminate, if not previously terminated, and no Lender thereafter shall be under any obligation to grant any further Loan, nor shall the Fronting Lender be obligated to issue any Letter of Credit; and

(b) the principal of and interest then outstanding on all of the Loans, and all of the other Obligations, shall thereupon become and thereafter be immediately due and payable in full (if the Obligations are not already due and payable), all without any presentment, demand or notice of any kind, which are hereby waived by Borrower.

Section 9.3. *Letters of Credit.* If the maturity of the Obligations shall be accelerated pursuant to Section 9.1 or 9.2 hereof, Borrower shall immediately deposit with Agent, as security for the obligations of Borrower and any Guarantor of Payment to reimburse Agent and the Lenders for any then outstanding Letters of Credit, cash equal to one hundred five percent (105%) of the sum of the aggregate undrawn balance of any then outstanding Letters of Credit. Agent and the Lenders are hereby authorized, at their option, to deduct any and all such amounts from any deposit balances then owing by any Lender (or any affiliate of such Lender, wherever located) to or for the credit or account of any Credit Party, as security for the obligations of Borrower and any Guarantor of Payment to reimburse Agent and the Lenders for any then outstanding Letters of Credit.

Section 9.4. *Offsets.* If there shall occur or exist any Event of Default referred to in Section 8.12 hereof or if the maturity of the Obligations is accelerated pursuant to Section 9.1 or 9.2 hereof, each Lender shall have the right at any time to set off against, and to appropriate and apply toward the payment of, any and all of the Obligations then owing by Borrower or a Guarantor of Payment to such Lender (including, without limitation, any participation purchased or to be purchased pursuant to Section 2.2(b), 2.2(c) or 9.5 hereof), whether or not the same shall then have matured, any and all deposit (general or special) balances and all other indebtedness then held or owing by such Lender (including, without limitation, by branches and agencies or any affiliate of such Lender, wherever located) to or for the credit or account of Borrower or any Guarantor of Payment, all without notice to or demand upon Borrower or any other Person, all such notices and demands being hereby expressly waived by Borrower.

Section 9.5. *Equalization Provisions.* Each Lender agrees with the other Lenders that if it, at any time, shall obtain any Advantage over the other Lenders or any thereof in respect of the Obligations (except as to Swing Loans and Letters of Credit prior to Agent's giving of notice to participate and except under Article III hereof), it shall purchase from the other Lenders, for cash and at par, such additional participation in the Obligations as shall be necessary to nullify the Advantage. If any such

Advantage resulting in the purchase of an additional participation as aforesaid shall be recovered in whole or in part from the Lender receiving the Advantage, each such purchase shall be rescinded, and the purchase price restored (but without interest unless the Lender receiving the Advantage is required to pay interest on the Advantage to the Person recovering the Advantage from such Lender) ratably to the extent of the recovery. Each Lender further agrees with the other Lenders that if it at any time shall receive any payment for or on behalf of Borrower on any Indebtedness owing by Borrower pursuant to this Agreement (whether by voluntary payment, by realization upon security, by reason of offset of any deposit or other indebtedness, by counterclaim or cross-action, by the enforcement of any right under any Loan Document, or otherwise), it will apply such payment first to any and all Obligations owing by Borrower to that Lender (including, without limitation, any participation purchased or to be purchased pursuant to this Section 9.5 or any other section of this Agreement). Each Credit Party agrees that any Lender so purchasing a participation from the other Lenders or any thereof pursuant to this Section 9.5 may exercise all of its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 9.6. *Collateral.* Agent and the Lenders shall at all times have the rights and remedies of a secured party under the U.C.C., in addition to the rights and remedies of a secured party provided elsewhere within this Agreement, in any other Related Writing executed by Borrower or otherwise provided in law or equity. Upon the occurrence of an Event of Default and at all times thereafter, Agent may require Borrower to assemble the Collateral, which Borrower agrees to do, and make it available to Agent and the Lenders at a reasonably convenient place to be designated by Agent. Agent may, with or without notice to or demand upon Borrower and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where the Collateral, or any thereof, may be found and to take possession thereof (including anything found in or on the Collateral that is not specifically described in this Agreement, each of which findings shall be considered to be an accession to and a part of the Collateral) and for that purpose may pursue the Collateral wherever the same may be found, without liability for trespass or damage caused thereby to Borrower. After any delivery or taking of possession of the Collateral, or any thereof, pursuant to this Agreement, then, with or without resort to Borrower personally or any other Person or property, all of which Borrower hereby waives, and upon such terms and in such manner as Agent may deem advisable, Agent, in its discretion, may sell, assign, transfer and deliver any of the Collateral at any time, or from time to time. No prior notice need be given to Borrower or to any other Person in the case of any sale of Collateral that Agent determines to be perishable or to be declining speedily in value or that is customarily sold in any recognized market, but in any other case Agent shall give Borrower not fewer than ten days prior notice of either the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. Borrower waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, Agent or the Lenders may purchase the Collateral, or any part thereof, free from any right of redemption, all of which rights Borrower hereby waives and releases. After deducting all Related Expenses, and after paying all claims, if any, secured by Liens having precedence over this Agreement, Agent may apply the net proceeds of each such sale to or toward the payment of the Secured Obligations, whether or not then due, in such order and by such division as Agent, in its sole discretion, may deem advisable. Any excess, to the extent permitted by law, shall be paid to Borrower, and Borrower shall remain liable for any deficiency. In addition, Agent shall at all times have the right to obtain new appraisals of Borrower or the Collateral, the cost of which shall be paid by Borrower.

Section 9.7. *Other Remedies.* The remedies in this Article IX are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which the Lenders may be entitled. Agent shall exercise the rights under this Article IX and all other collection

efforts on behalf of the Lenders and no Lender shall act independently with respect thereto, except as otherwise specifically set forth in this Agreement.

Section 9.8. *Application of Proceeds.*

(a) *Payments Prior to Exercise of Remedies.* Prior to the exercise by Agent, on behalf of the Lenders, of remedies under this Agreement or the other Loan Documents, all monies received by Agent in connection with the Revolving Credit Commitment shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable law, to the Loans and Letters of Credit, as appropriate; provided that Agent shall have the right at all times to apply any payment received from Borrower first to the payment of all obligations (to the extent not paid by Borrower) incurred by Agent pursuant to Section 11.5 hereof and to the payment of Related Expenses.

(b) *Payments Subsequent to Exercise of Remedies.* After the exercise by Agent or the Required Lenders of remedies under this Agreement or the other Loan Documents, all monies received by Agent shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable law, as follows:

(i) first, to the payment of all obligations (to the extent not paid by Borrower) incurred by Agent pursuant to Section 11.5 hereof and to the payment of Related Expenses;

(ii) second, to the payment pro rata of (A) interest then accrued and payable on the outstanding Loans, (B) any fees then accrued and payable to Agent, and (C) any fees then accrued and payable to the Fronting Lender or the holders of the Letter of Credit Commitment in respect of the Letter of Credit Exposure;

(iii) third, for payment of (A) principal outstanding on the Loans and the Letter of Credit Exposure, on a pro rata basis to the Lenders, based upon each such Lender's Commitment Percentage, provided that the amounts payable in respect of the Letter of Credit Exposure shall be held and applied by Agent as security for the reimbursement obligations in respect thereof, and, if any Letter of Credit shall expire without being drawn, then the amount with respect to such Letter of Credit shall be distributed to the Lenders, on a pro rata basis in accordance with this subsection (iii), (B) the Indebtedness under any Hedge Agreement with a Lender, such amount to be based upon the net termination obligation of Borrower under such Hedge Agreement, and (C) the Bank Product Obligations owing to Lenders under Bank Product Agreements; with such payment to be pro rata among (A), (B) and (C) of this subsection (iii); and

(iv) finally, any remaining surplus after all of the Secured Obligations have been paid in full, to Borrower or to whomsoever shall be lawfully entitled thereto.

ARTICLE X. THE AGENT

The Lenders authorize KeyBank and KeyBank hereby agrees to act as agent for the Lenders in respect of this Agreement upon the terms and conditions set forth elsewhere in this Agreement, and upon the following terms and conditions:

Section 10.1. *Appointment and Authorization.* Each Lender hereby irrevocably appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers hereunder as are delegated to Agent by the terms hereof, together with such powers as are reasonably incidental thereto, including, without limitation, to execute and deliver the Intercreditor Agreement on behalf of the Lenders. Neither Agent nor any of its affiliates, directors, officers, attorneys or employees shall (a) be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct (as determined by a court of competent jurisdiction), or be responsible in any manner to any of the Lenders for the effectiveness, enforceability, genuineness, validity or due execution of this Agreement or any other Loan Documents,

(b) be under any obligation to any Lender to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the part of Borrower or any other Company, or the financial condition of Borrower or any other Company, or (c) be liable to any of the Companies for consequential damages resulting from any breach of contract, tort or other wrong in connection with the negotiation, documentation, administration or collection of the Loans or Letters of Credit or any of the Loan Documents. Each Lender, by becoming a party to this Agreement, agrees to be bound by and subject to the terms and conditions of the Intercreditor Agreement as if it were an original party thereto. Notwithstanding any provision to the contrary contained in this Agreement or in any other Loan Document, Agent shall not have any duty or responsibility except those expressly set forth herein, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 10.2. *Note Holders.* Agent may treat the payee of any Note as the holder thereof (or, if there is no Note, the holder of the interest as reflected on the books and records of Agent) until written notice of transfer shall have been filed with Agent, signed by such payee and in form satisfactory to Agent.

Section 10.3. *Consultation With Counsel.* Agent may consult with legal counsel selected by Agent and shall not be liable for any action taken or suffered in good faith by Agent in accordance with the opinion of such counsel.

Section 10.4. *Documents.* Agent shall not be under any duty to examine into or pass upon the validity, effectiveness, genuineness or value of any Loan Document or any other Related Writing furnished pursuant hereto or in connection herewith or the value of any collateral obtained hereunder, and Agent shall be entitled to assume that the same are valid, effective and genuine and what they purport to be.

Section 10.5. *Agent and Affiliates.* KeyBank and its affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Companies and Affiliates as though KeyBank were not Agent hereunder and without notice to or consent of any Lender. Each Lender acknowledges that, pursuant to such activities, KeyBank or its affiliates may receive information regarding any Company or any Affiliate (including information that may be subject to confidentiality obligations in favor of such Company or such Affiliate) and acknowledge that Agent shall be under no obligation to provide such information to other Lenders. With respect to Loans and Letters of Credit (if any), KeyBank and its affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though KeyBank were not Agent, and the terms "Lender" and "Lenders" include KeyBank and its affiliates, to the extent applicable, in their individual capacities.

Section 10.6. *Knowledge or Notice of Default.* Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless Agent has received written notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to the Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that, unless and until Agent shall have received such

directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable, in its discretion, for the protection of the interests of the Lenders.

Section 10.7. *Action by Agent.* Subject to the other terms and conditions hereof, so long as Agent shall be entitled, pursuant to Section 10.6 hereof, to assume that no Default or Event of Default shall have occurred and be continuing, Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights that may be vested in it by, or with respect to taking or refraining from taking any action or actions that it may be able to take under or in respect of, this Agreement. Agent shall incur no liability under or in respect of this Agreement by acting upon any notice, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything that it may do or refrain from doing in the reasonable exercise of its judgment, or that may seem to it to be necessary or desirable in the premises. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent's acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

Section 10.8. *Release of Collateral or Guarantor of Payment.* In the event of a transfer of assets permitted by Section 5.12 hereof (or otherwise permitted pursuant to this Agreement) where the proceeds of such transfer are applied in accordance with the terms of this Agreement to the extent required to be so applied, Agent, at the request and expense of Borrower, is hereby authorized by the Lenders to (a) release such Collateral from this Agreement or any other Loan Document, (b) release a Guarantor of Payment in connection with such permitted transfer, and (c) duly assign, transfer and deliver to the affected Company (without recourse and without any representation or warranty) such Collateral as is then (or has been) so transferred or released and as may be in possession of Agent and has not theretofore been released pursuant to this Agreement.

Section 10.9. *Delegation of Duties.* Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

Section 10.10. *Indemnification of Agent.* The Lenders agree to indemnify Agent (to the extent not reimbursed by Borrower) ratably, according to their respective Commitment Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against Agent in its capacity as agent in any way relating to or arising out of this Agreement or any Loan Document or the Intercreditor Agreement, or any action taken or omitted by Agent with respect to this Agreement or any Loan Document, or the Intercreditor Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements resulting from Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction, or from any action taken or omitted by Agent in any capacity other than as agent under this Agreement, the Intercreditor Agreement or any other Loan Document. No action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 10.10. The undertaking in this Section 10.10 shall survive repayment of the Loans, cancellation of the Notes, if any, expiration or termination of the Letters of Credit, termination of the Commitment, any foreclosure under, or modification, release or discharge of, any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of the agent.

Section 10.11. *Successor Agent.* Agent may resign as agent hereunder by giving not fewer than thirty (30) days prior written notice to Borrower and the Lenders. If Agent shall resign under this Agreement, then either (a) the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders (with the consent of Borrower so long as an Event of Default does not exist and which consent shall not be unreasonably withheld), or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following Agent's notice to the Lenders of its resignation, then Agent shall appoint a successor agent that shall serve as agent until such time as the Required Lenders appoint a successor agent. If no successor agent has accepted appointment as Agent by the date that is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon its appointment, such successor agent shall succeed to the rights, powers and duties as agent, and the term "Agent" means such successor effective upon its appointment, and the former agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement. After any retiring Agent's resignation as Agent, the provisions of this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents.

Section 10.12. *Fronting Lender.* The Fronting Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by the Fronting Lender and the documents associated therewith. The Fronting Lender shall have all of the benefits and immunities (a) provided to Agent in this Article X with respect to any acts taken or omissions suffered by the Fronting Lender in connection with the Letters of Credit and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Agent", as used in this Article X, included the Fronting Lender with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to the Fronting Lender.

Section 10.13. *Swing Line Lender.* The Swing Line Lender shall act on behalf of the Lenders with respect to any Swing Loans. The Swing Line Lender shall have all of the benefits and immunities (a) provided to Agent in this Article X with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with the Swing Loans as fully as if the term "Agent", as used in this Article X, included the Swing Line Lender with respect to such acts or omissions, and (b) as additionally provided in this Agreement with respect to the Swing Line Lender.

Section 10.14. *Agent May File Proofs of Claim.* In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, (a) Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise, to (i) file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and Agent and their respective agents and counsel and all other amounts due the Lenders and Agent) allowed in such judicial proceedings, and (ii) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and (b) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to the Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent. Nothing contained herein shall

be deemed to authorize Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 10.15. *No Reliance on Agent's Customer Identification Program.* Each Lender acknowledges and agrees that neither such Lender, nor any of its affiliates, participants or assignees, may rely on Agent to carry out such Lender's or its affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other anti-terrorism law, including any programs involving any of the following items relating to or in connection with Borrower, its Affiliates or agents, the Loan Documents or the transactions hereunder: (a) any identity verification procedures, (b) any record keeping, (c) any comparisons with government lists, (d) any customer notices or (e) any other procedures required under the CIP Regulations or such other laws.

Section 10.16. *Other Agents.* Agent shall have the continuing right from time to time to designate one or more Lenders (or its or their affiliates as "syndication agent", "co-syndication agent", "documentation agent", "co-documentation agent", "book runner", "lead arranger", "arrangers" or other designations for purposes hereof, but (a) any such designation shall have no substantive effect, and (b) any such Lender and its affiliates shall have no additional powers, duties, responsibilities or liabilities as a result thereof.

ARTICLE XI. MISCELLANEOUS

Section 11.1. *Lenders' Independent Investigation.* Each Lender, by its signature to this Agreement, acknowledges and agrees that Agent has made no representation or warranty, express or implied, with respect to the creditworthiness, financial condition, or any other condition of any Company or with respect to the statements contained in any information memorandum furnished in connection herewith or in any other oral or written communication between Agent and such Lender. Each Lender represents that it has made and shall continue to make its own independent investigation of the creditworthiness, financial condition and affairs of the Companies in connection with the extension of credit hereunder, and agrees that Agent has no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto (other than such notices as may be expressly required to be given by Agent to the Lenders hereunder), whether coming into its possession before the first Credit Event hereunder or at any time or times thereafter. Each Lender further represents that it has reviewed each of the Loan Documents, including, but not limited to, the Intercreditor Agreement.

Section 11.2. *No Waiver; Cumulative Remedies.* No omission or course of dealing on the part of Agent, any Lender or the holder of any Note (or, if there is no Note, the holder of the interest as reflected on the books and records of Agent) in exercising any right, power or remedy hereunder or under any of the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or under any of the Loan Documents. The remedies herein provided are cumulative and in addition to any other rights, powers or privileges held under any of the Loan Documents or by operation of law, by contract or otherwise.

Section 11.3. *Amendments, Waivers and Consents.*

(a) *General Rule.* No amendment, modification, termination, or waiver of any provision of any Loan Document nor consent to any variance therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) *Exceptions to the General Rule.* Notwithstanding the provisions of subsection (a) of this Section 11.3:

(i) *Requirements.* Subject to subpart (iii) below, no amendment, modification, waiver or consent shall (A) extend or increase the Commitment of any Lender without the written consent of such Lender, (B) extend the date scheduled for payment of any principal (excluding mandatory prepayments) of or interest on the Loans or any commitment fees payable hereunder without the written consent of each Lender directly affected thereby, (C) reduce the principal amount of any Loan, the stated rate of interest thereon (provided that the institution of the Default Rate or post default interest and a subsequent removal of the Default Rate or post default interest shall not constitute a decrease in interest rate pursuant to this Section 11.3), the stated rate of any commitment fees payable hereunder, the amount of principal to be reimbursed when a Letter of Credit is drawn, or the stated rate of any Letter of Credit fees payable for the pro rata benefit of the Lenders, without the consent of each Lender directly affected thereby (except for periodic adjustments of interest rates and commitment fees resulting from a change in the Applicable Margin as provided for in this Agreement), (D) change any percentage voting requirement, voting rights, or the Required Lenders definition in this Agreement, without the unanimous consent of the Lenders, (E) release Borrower or any Guarantor of Payment except in connection with a merger or sale of assets permitted pursuant to Section 5.12 hereof without the unanimous consent of the Lenders, (F) release all or substantially all of the Collateral, securing the Secured Obligations, except as specifically permitted hereunder, without the unanimous consent of the Lenders, or (G) amend this Section 11.3 or Section 9.5 or 9.8 hereof without the unanimous consent of the Lenders.

(ii) *Provisions Relating to Special Rights and Duties.* No provision of this Agreement affecting Agent in its capacity as such shall be amended, modified or waived without the consent of Agent. No provision of this Agreement relating to the rights or duties of the Fronting Lender in its capacity as such shall be amended, modified or waived without the consent of the Fronting Lender. No provision of this Agreement relating to the rights or duties of the Swing Line Lender in its capacity as such shall be amended, modified or waived without the consent of the Swing Line Lender.

(c) *Replacement of Non-Consenting Lender.* If, in connection with any proposed amendment, waiver or consent hereunder, (i) the consent of all Lenders is required, but only the consent of Required Lenders is obtained, or (ii) the consent of Required Lenders is required, but the consent of the Required Lenders is not obtained (any Lender withholding consent as described in subparts (i) and (ii) hereof being referred to as a "Non-Consenting Lender"), then, so long as Agent is not the Non-Consenting Lender, Agent may, at the sole expense of Borrower, upon notice to such Non-Consenting Lender and Borrower, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.10 hereof) all of its interests, rights and obligations under this Agreement to an Eligible Transferee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from such Eligible Transferee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts, including any breakage compensation under Article III hereof).

(d) *Generally.* Notice of amendments, waivers or consents ratified by the Lenders hereunder shall be forwarded by Agent to all of the Lenders. Each Lender or other holder of a Note, or if there is no Note, the holder of the interest as reflected on the books and records of Agent (or interest in any Loan or Letter of Credit) shall be bound by any amendment, waiver or consent obtained as authorized by this Section 11.3, regardless of its failure to agree thereto.

Section 11.4. *Notices.* All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Borrower, mailed or delivered to it, addressed to it at the address specified on the signature pages of this Agreement, if to a Lender, mailed or delivered to it, addressed to the address of such Lender specified on the signature pages of this Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when hand delivered, delivered by overnight courier or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt (if received during a Business Day, otherwise the following Business Day). All notices from Borrower to Agent or the Lenders pursuant to any of the provisions hereof shall not be effective until received by Agent or the Lenders, as the case may be. For purposes of Article II hereof, Agent shall be entitled to rely on telephonic instructions from any person that Agent in good faith believes is an Authorized Officer, and Borrower shall hold Agent and each Lender harmless from any loss, cost or expense resulting from any such reliance.

Section 11.5. *Costs, Expenses and Documentary Taxes.* Borrower agrees to pay on demand all costs and expenses of Agent and all Related Expenses, including but not limited to (a) syndication, administration, travel and out-of-pocket expenses, including but not limited to attorneys' fees and expenses, of Agent in connection with the preparation, negotiation and closing of the Loan Documents and the Intercreditor Agreement and the administration of the Loan Documents and the Intercreditor Agreement, and the collection and disbursement of all funds hereunder and the other instruments and documents to be delivered hereunder, (b) extraordinary expenses of Agent in connection with the administration of the Loan Documents, the Intercreditor Agreement and the other instruments and documents to be delivered hereunder, and (c) the reasonable fees and out-of-pocket expenses of special counsel for Agent, with respect to the foregoing, and of local counsel, if any, who may be retained by said special counsel with respect thereto. Borrower also agrees to pay on demand all costs and expenses (including Related Expenses) of Agent and the Lenders, including reasonable attorneys' fees and expenses, in connection with the restructuring or enforcement of the Obligations, this Agreement or any Related Writing, or the Intercreditor Agreement. In addition, Borrower shall pay any and all stamp, transfer, documentary and other taxes, assessments, charges and fees payable or determined to be payable in connection with the execution and delivery of the Loan Documents, the Intercreditor Agreement and the other instruments and documents to be delivered hereunder, and agrees to hold Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or failure to pay such taxes or fees. All obligations provided for in this Section 11.5 shall survive any termination of this Agreement.

Section 11.6. *Indemnification.* Borrower agrees to defend, indemnify and hold harmless Agent and the Lenders (and their respective affiliates, officers, directors, attorneys, agents and employees) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against Agent or any Lender in connection with any investigative, administrative or judicial proceeding (whether or not such Lender or Agent shall be designated a party thereto) or any other claim by any Person relating to or arising out of any Loan Document the Intercreditor Agreement or any actual or proposed use of proceeds of the Loans or any of the Obligations, or any activities of any Company or its Affiliates; provided that no Lender nor Agent shall have the right to be indemnified under this Section 11.6 for its own (or its respective affiliates', officers', directors', attorneys', agents' or employees') gross negligence or willful misconduct, as determined by a court of competent jurisdiction. All obligations provided for in this Section 11.6 shall survive any termination of this Agreement.

Section 11.7. *Obligations Several; No Fiduciary Obligations.* The obligations of the Lenders hereunder are several and not joint. Nothing contained in this Agreement and no action taken by Agent or the Lenders pursuant hereto shall be deemed to constitute Agent or the Lenders a partnership, association, joint venture or other entity. No default by any Lender hereunder shall excuse the other Lenders from any obligation under this Agreement; but no Lender shall have or acquire any additional obligation of any kind by reason of such default. The relationship between Borrower and the Lenders with respect to the Loan Documents and the Related Writings is and shall be solely that of debtor and creditors, respectively, and neither Agent nor any Lender shall have any fiduciary obligation toward any Credit Party with respect to any such documents or the transactions contemplated thereby.

Section 11.8. *Execution in Counterparts.* This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, and by facsimile signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 11.9. *Binding Effect; Borrower's Assignment.* This Agreement shall become effective when it shall have been executed by Borrower, Agent and each Lender and thereafter shall be binding upon and inure to the benefit of Borrower, Agent and each of the Lenders and their respective successors and assigns, except that Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Agent and all of the Lenders.

Section 11.10. *Lender Assignments.*

(a) *Assignments of Commitments.* Each Lender shall have the right at any time or times to assign to an Eligible Transferee (other than to a Lender that shall not be in compliance with this Agreement), without recourse, all or a percentage of all of the following: (i) such Lender's Commitment, (ii) all Loans made by that Lender, (iii) such Lender's Notes, and (iv) such Lender's interest in any Letter of Credit or Swing Loan, and any participation purchased pursuant to Section 2.2(b) or 2.2(c) or Section 9.5 hereof.

(b) *Prior Consent.* No assignment may be consummated pursuant to this Section 11.10 without the prior written consent of Borrower and Agent (other than an assignment by any Lender to any affiliate of such Lender which affiliate is an Eligible Transferee and either wholly-owned by a Lender or is wholly-owned by a Person that wholly owns, either directly or indirectly, such Lender, or to another Lender), which consent of Borrower and Agent shall not be unreasonably withheld; provided that the consent of Borrower shall not be required if, at the time of the proposed assignment, any Default or Event of Default shall then exist. Anything herein to the contrary notwithstanding, any Lender may at any time make a collateral assignment of all or any portion of its rights under the Loan Documents to a Federal Reserve Bank, and no such assignment shall release such assigning Lender from its obligations hereunder.

(c) *Minimum Amount.* Each such assignment shall be in a minimum amount of the lesser of One Million Dollars ($1,000,000) of the assignor's Commitment and interest herein, or the entire amount of the assignor's Commitment and interest herein.

(d) *Assignment Fee.* Unless the assignment shall be to an affiliate of the assignor or the assignment shall be due to merger of the assignor or for regulatory purposes, either the assignor or the assignee shall remit to Agent, for its own account, an administrative fee of Three Thousand Five Hundred Dollars ($3,500).

(e) *Assignment Agreement.* Unless the assignment shall be due to merger of the assignor or a collateral assignment for regulatory purposes, the assignor shall (i) cause the assignee to execute and deliver to Borrower and Agent an Assignment Agreement, and (ii) execute and deliver, or cause the assignee to execute and deliver, as the case may be, to Agent such additional amendments, assurances and other writings as Agent may reasonably require.

(f) *Non-U.S. Assignee.* If the assignment is to be made to an assignee that is organized under the laws of any jurisdiction other than the United States or any state thereof, the assignor Lender shall cause such assignee, at least five Business Days prior to the effective date of such assignment, (i) to represent to the assignor Lender (for the benefit of the assignor Lender, Agent and Borrower) that under applicable law and treaties no taxes will be required to be withheld by Agent, Borrower or the assignor with respect to any payments to be made to such assignee in respect of the Loans hereunder, (ii) to furnish to the assignor Lender (and, in the case of any assignee registered in the Register (as defined below), Agent and Borrower) either U.S. Internal Revenue Service Form W-8ECI, Form W-8IMY or U.S. Internal Revenue Service Form W-8BEN, as applicable (wherein such assignee claims entitlement to complete exemption from U.S. federal withholding tax on all payments hereunder), and (iii) to agree (for the benefit of the assignor, Agent and Borrower) to provide to the assignor Lender (and, in the case of any assignee registered in the Register, to Agent and Borrower) a new Form W-8ECI or Form W-8BEN, as applicable, upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such assignee, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(g) *Deliveries by Borrower.* Upon satisfaction of all applicable requirements specified in subsections (a) through (f) above, Borrower shall execute and deliver (i) to Agent, the assignor and the assignee, any consent or release (of all or a portion of the obligations of the assignor) required to be delivered by Borrower in connection with the Assignment Agreement, and (ii) to the assignee, if requested, and the assignor, if applicable, an appropriate Note or Notes. After delivery of the new Note or Notes, the assignor's Note or Notes, if any, being replaced shall be returned to Borrower marked "replaced".

(h) *Effect of Assignment.* Upon satisfaction of all applicable requirements set forth in subsections (a) through (g) above, and any other condition contained in this Section 11.10, (i) the assignee shall become and thereafter be deemed to be a "Lender" for the purposes of this Agreement, (ii) the assignor shall be released from its obligations hereunder to the extent that its interest has been assigned, (iii) in the event that the assignor's entire interest has been assigned, the assignor shall cease to be and thereafter shall no longer be deemed to be a "Lender" and (iv) the signature pages hereto and *Schedule 1* hereto shall be automatically amended, without further action, to reflect the result of any such assignment.

(i) *Agent to Maintain Register.* Agent shall maintain at the address for notices referred to in Section 11.4 hereof a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrower, Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

Section 11.11. *Sale of Participations.* Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell participations to one or more Eligible Transferees (each a "Participant") in all or a portion of its rights or obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of the Commitment and the Loans and participations owing to it and the Note, if any, held by it); provided that:

(a) any such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged;

(b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;

(c) the parties hereto shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents;

(d) such Participant shall be bound by the provisions of Section 9.5 hereof, and the Lender selling such participation shall obtain from such Participant a written confirmation of its agreement to be so bound; and

(e) no Participant (unless such Participant is itself a Lender) shall be entitled to require such Lender to take or refrain from taking action under this Agreement or under any other Loan Document, except that such Lender may agree with such Participant that such Lender will not, without such Participant's consent, take action of the type described as follows:

(i) increase the portion of the participation amount of any Participant over the amount thereof then in effect, or extend the Commitment Period, without the written consent of each Participant affected thereby; or

(ii) reduce the principal amount of or extend the time for any payment of principal of any Loan, or reduce the rate of interest or extend the time for payment of interest on any Loan, or reduce the commitment fee, without the written consent of each Participant affected thereby.

Borrower agrees that any Lender that sells participations pursuant to this Section 11.11 shall still be entitled to the benefits of Article III hereof, notwithstanding any such transfer; provided that the obligations of Borrower shall not increase as a result of such transfer and Borrower shall have no obligation to any Participant.

Section 11.12. *Replacement of Affected Lenders.* Each Lender agrees, that during the time in which any Lender is an Affected Lender, Agent shall have the right (and Agent shall, if requested by Borrower), at the sole expense of Borrower, upon notice to such Affected Lender and Borrower, to require that such Affected Lender assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.10 hereof), all of its interests, rights and obligations under this Agreement to an Eligible Transferee, approved by Borrower (unless an Event of Default shall exist) and Agent, that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Affected Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (recognizing that any Affected Lender may have given up its rights under this Agreement to receive payment of fees and other amounts pursuant to Section 2.6(e) or (f) hereof), from such Eligible Transferee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts, including any breakage compensation under Article III hereof).

Section 11.13. *Patriot Act Notice.* Each Lender and Agent (for itself and not on behalf of any other party) hereby notifies the Credit Parties that, pursuant to the requirements of the Patriot Act, such Lender and Agent are required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender or Agent, as applicable, to identify the Credit Parties in accordance with the Patriot Act. Borrower shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by Agent or a Lender in order to assist Agent or such Lender in maintaining compliance with the Patriot Act.

Section 11.14. *Severability of Provisions; Captions; Attachments.* Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective

to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The several captions to sections and subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement. Each schedule or exhibit attached to this Agreement shall be incorporated herein and shall be deemed to be a part hereof.

Section 11.15. *Investment Purpose.* Each of the Lenders represents and warrants to Borrower that it is entering into this Agreement with the present intention of acquiring any Note issued pursuant hereto (or, if there is no Note, the interest as reflected on the books and records of Agent) for investment purposes only and not for the purpose of distribution or resale, it being understood, however, that each Lender shall at all times retain full control over the disposition of its assets.

Section 11.16. *Entire Agreement.* This Agreement, any Note and any other Loan Document or other agreement, document or instrument attached hereto or executed on or as of the Closing Date integrate all of the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.

Section 11.17. *Confidentiality.* Agent and each Lender shall hold all Confidential Information in accordance with the customary procedures of Agent or such Lender for handling confidential information of this nature, and in accordance with safe and sound banking practices. Notwithstanding the foregoing, Agent or any Lender may in any event make disclosures of, and furnish copies of Confidential Information (a) to another agent under this Agreement or another Lender; (b) when reasonably required by any bona fide transferee or participant in connection with the contemplated transfer of any Loans or Commitment or participation therein (provided that each such prospective transferee or participant shall have an agreement for the benefit of Borrower with such prospective transferor Lender or participant containing substantially similar provisions to those contained in this Section 11.17); (c) to the parent corporation or other affiliates of Agent or such Lender, and to their respective auditors and attorneys; and (d) as required or requested by any Governmental Authority or representative thereof, or pursuant to legal process, provided, that, unless specifically prohibited by applicable law or court order, Agent or such Lender, as applicable, shall notify the chief financial officer of Borrower of any request by any Governmental Authority or representative thereof (other than any such request in connection with an examination of the financial condition of Agent or such Lender by such Governmental Authority), and of any other request pursuant to legal process, for disclosure of any such non-public information prior to disclosure of such Confidential Information. In no event shall Agent or any Lender be obligated or required to return any materials furnished by or on behalf of any Company. Borrower hereby agrees that the failure of Agent or any Lender to comply with the provisions of this Section 11.17 shall not relieve Borrower of any of the obligations to Agent and the Lenders under this Agreement and the other Loan Documents.

Section 11.18. *Limitations on Liability of the Fronting Lender.* Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letters of Credit. Neither the Fronting Lender nor any of its officers or directors shall be liable or responsible for (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Fronting Lender against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the account party on such Letter of Credit shall have a claim against the Fronting Lender, and the Fronting Lender shall be liable to such account party, to the extent of any direct, but not consequential, damages suffered by such account party that such account party proves were caused by (i) the Fronting Lender's willful misconduct or gross negligence (as determined by a court of competent jurisdiction) in

determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit, or (ii) the Fronting Lender's willful failure to make lawful payment under any Letter of Credit after the presentation to it of documentation strictly complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Fronting Lender may accept documents that appear on their face to be in order, without responsibility for further investigation.

Section 11.19. *General Limitation of Liability.* No claim may be made by any Credit Party, any Lender, Agent, the Fronting Lender or any other Person against Agent, the Fronting Lender, or any other Lender or the affiliates, directors, officers, employees, attorneys or agents of any of them for any damages other than actual compensatory damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any of the other Loan Documents, or any act, omission or event occurring in connection therewith; and Borrower, each Lender, Agent and the Fronting Lender hereby, to the fullest extent permitted under applicable law, waive, release and agree not to sue or counterclaim upon any such claim for any special, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in their favor.

Section 11.20. *No Duty.* All attorneys, accountants, appraisers, consultants and other professional persons (including the firms or other entities on behalf of which any such Person may act) retained by Agent or any Lender with respect to the transactions contemplated by the Loan Documents shall have the right to act exclusively in the interest of Agent or such Lender, as the case may be, and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to Borrower, any other Companies, or to any other Person, with respect to any matters within the scope of such representation or related to their activities in connection with such representation. Borrower agrees, on behalf of itself and its Subsidiaries, not to assert any claim or counterclaim against any such persons with regard to such matters, all such claims and counterclaims, now existing or hereafter arising, whether known or unknown, foreseen or unforeseeable, being hereby waived, released and forever discharged.

Section 11.21. *Legal Representation of Parties.* The Loan Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement or any other Loan Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

Section 11.22. *Governing Law; Submission to Jurisdiction.*

(a) *Governing Law.* This Agreement, each of the Notes and any Related Writing shall be governed by and construed in accordance with the laws of the State of New York and the respective rights and obligations of Borrower, Agent, and the Lenders shall be governed by New York law, without regard to principles of conflicts of laws.

(b) *Submission to Jurisdiction.* Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any New York state or federal court sitting in New York County, New York, over any action or proceeding arising out of or relating to this Agreement, the Obligations or any Related Writing, and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York state or federal court. Borrower, on behalf of itself and its Subsidiaries, hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Borrower agrees that a final, non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 11.23. *Legend.* Notwithstanding anything herein to the contrary, the liens and security interests granted to Agent, for the benefit of the Lenders, pursuant to this Agreement, and the exercise of any right or remedy by Agent or any Lender hereunder, are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement shall govern.

[Remainder of page left intentionally blank]

JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, BORROWER, AGENT AND EACH LENDER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWER, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the parties have executed and delivered this Credit and Security Agreement as of the date first set forth above.

Address: 4820 Eastgate Mall
San Diego, California 92121
Attention: Legal Department

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

By: /s/ Deanna H. Lund

Deanna H. Lund
Executive Vice President & Chief Financial Officer

Address: 127 Public Square
Cleveland, Ohio 44114-1306
Attention: Asset Based Lending

KEYBANK NATIONAL ASSOCIATION,
as Agent and as a Lender

By: /s/ John P. Dunn

John P. Dunn
Vice President

SCHEDULE 1

COMMITMENTS OF LENDERS

LENDERS	COMMITMENT PERCENTAGE	REVOLVING CREDIT COMMITMENT AMOUNT	MAXIMUM AMOUNT
KeyBank National Association	100%	$ 25,000,000	$ 25,000,000
Total Commitment Amount			$ 25,000,000

SCHEDULE 2

GUARANTORS OF PAYMENT

Kratos Commercial Solutions, Inc. (f/k/a Secure Planet, Inc.), a Delaware corporation

Kratos Mid-Atlantic, Inc. (f/k/a WFI Delaware Inc.), a Delaware corporation

Kratos Southeast, Inc. (f/k/a WFI Georgia Inc.), a Georgia corporation

Kratos Texas, Inc. (f/k/a WFI Texas, Inc.), a Texas corporation

WFI NMC Corp., a Delaware corporation

Kratos Southwest L.P. (f/k/a WFI Southwest LP), a Texas limited partnership

SYS, a California corporation

Ai Metrix, Inc., a Delaware corporation

Polexis, Inc., a California corporation

Reality Based IT Services, Ltd., a Maryland corporation

Shadow I, Inc., a California corporation

Shadow II, Inc., a California corporation

Shadow III, Inc., a California corporation

Digital Fusion, Inc., a Delaware corporation

Digital Fusion Solutions, Inc., a Florida corporation

Summit Research Corporation, an Alabama corporation

Kratos Government Solutions, Inc. (f/k/a WFI Government Services, Inc.), a Delaware corporation

Defense Systems, Incorporated, a Virginia corporation

Haverstick Consulting, Inc., an Indiana corporation

HGS Holdings, Inc., an Indiana corporation

DTI Associates, Inc., a Virginia corporation

Haverstick Government Solutions, Inc., an Ohio corporation

Rocket Support Services, LLC, an Indiana limited liability company

JMA Associates, Inc. (d/b/a TLA Associates), a Delaware corporation

Madison Research Corporation, an Alabama corporation

Gichner Holdings, Inc., a Delaware corporation

Gichner Systems Group, Inc., a Delaware corporation

Gichner Systems International, Inc., a Delaware corporation

Charleston Marine Containers Inc., a Delaware corporation

Dallastown Realty I, LLC, a Delaware limited liability company

Dallastown Realty II, LLC, a Delaware limited liability company

SCHEDULE 2.2

EXISTING LETTERS OF CREDIT

Beneficiary	Standby LC #	Letter of Credit Amount	Expiry Date
Insurance Company of North America et el	S311059	250,000.00	01/24/11
Safeco Insurance Company of America	S313972	226,222.00	09/09/10
Safety National Casualty Corporation	S320164	600,000.00	06/13/11
RLI Insurance Company	S320672	284,196.00	11/04/10
Amylin Pharmaceuticals, Inc.	S320721	71,918.88	12/06/10

SCHEDULE 3

BORROWING BASE COMPANIES

Kratos Defense & Security Solutions, Inc.

Kratos Commercial Solutions, Inc. (f/k/a Secure Planet, Inc.), a Delaware corporation

Kratos Mid-Atlantic, Inc. (f/k/a WFI Delaware Inc.), a Delaware corporation

Kratos Southeast, Inc. (f/k/a WFI Georgia Inc.), a Georgia corporation

Kratos Texas, Inc. (f/k/a WFI Texas, Inc.), a Texas corporation

WFI NMC Corp., a Delaware corporation

Kratos Southwest L.P. (f/k/a WFI Southwest LP), a Texas limited partnership

SYS, a California corporation

Ai Metrix, Inc., a Delaware corporation

Polexis, Inc., a California corporation

Reality Based IT Services, Ltd., a Maryland corporation

Shadow I, Inc., a California corporation

Shadow II, Inc., a California corporation

Shadow III, Inc., a California corporation

Digital Fusion, Inc., a Delaware corporation

Digital Fusion Solutions, Inc., a Florida corporation

Summit Research Corporation, an Alabama corporation

Kratos Government Solutions, Inc. (f/k/a WFI Government Services, Inc.), a Delaware corporation

Defense Systems, Incorporated, a Virginia corporation

Haverstick Consulting, Inc., an Indiana corporation

HGS Holdings, Inc., an Indiana corporation

DTI Associates, Inc., a Virginia corporation

Haverstick Government Solutions, Inc., an Ohio corporation

Rocket Support Services, LLC, an Indiana limited liability company

JMA Associates, Inc. (d/b/a TLA Associates), a Delaware corporation

Madison Research Corporation, an Alabama corporation

SCHEDULE 4

PLEDGED SECURITIES

Pledgor	Issuer	Jurisdiction	Shares	Certificate Number	Ownership Percentage
Kratos Defense & Security Solutions, Inc.	Kratos Commercial Solutions, Inc.	DE	1,000	0002	100%
Kratos Defense & Security Solutions, Inc.	SYS	CA	1,000	0001	100%
Kratos Defense & Security Solutions, Inc.	Digital Fusion, Inc.	DE	1,000	0001	100%
Kratos Defense & Security Solutions, Inc.	Kratos Government Solutions, Inc.	DE	100	0002	100%
Kratos Defense & Security Solutions, Inc.	Gichner Holdings, Inc.	DE	16	113,125	100% Common Stock
Kratos Defense & Security Solutions, Inc.	Gichner Holdings, Inc.	DE	PA-15	10,868.75	100% Series A Preferred Stock
Kratos Defense & Security Solutions, Inc.	Gichner Holdings, Inc.	DE	PB-31	240,000	100% Series B Preferred Stock
Kratos Commercial Solutions, Inc.	Kratos Mid-Atlantic, Inc.	DE	1,870	0017	100%
Kratos Commercial Solutions, Inc.	Kratos Southeast, Inc.	GA	511	0011	100%
Kratos Commercial Solutions, Inc.	Kratos Texas, Inc.	TX	10,000	0008	100%
Kratos Commercial Solutions, Inc.	WFI NMC Corp.	DE	1,000	0005	100%
Kratos Texas, Inc.	Kratos Southwest L.P.	TX	n/a	n/a	1%
WFI NMC Corp.	Kratos Southwest L.P.	TX	n/a	n/a	99%
SYS	Ai Metrix, Inc.	DE	1,000	001	100%
SYS	Polexis, Inc.	CA	5,000	1	100%
SYS	Reality Based IT Services Ltd.	MD	10	1	100%
SYS	Shadow I, Inc.	CA	1,000	1	100%
SYS	Shadow II, Inc.	CA	1,000	1	100%
SYS	Shadow III, Inc.	CA	1,000	1	100%
Digital Fusion, Inc.	Digital Fusion Solutions, Inc.	FL	3,500,000	0007	100%
Digital Fusion, Inc.	Summit Research Corporation	AL	80,000	0001	100%
Kratos Government Solutions, Inc.	Defense Systems, Incorporated	VA	3,000	0002	100%
Kratos Government Solutions, Inc.	Haverstick Consulting, Inc.	IN	1,000	0001	100%
Kratos Government Solutions, Inc.	JMA Associates, Inc.	DE	7,000,000	0005	100%

Pledgor	Issuer	Jurisdiction	Shares	Certificate Number	Ownership Percentage
Kratos Government Solutions, Inc.	Madison Research Corporation	AL	1,000	0013	100%
Haverstick Consulting, Inc.	HGS Holdings, Inc.	IN	1,000	1	100%
HGS Holdings, Inc.	DTI Associates, Inc.	VA	2,000 1,420 200 200 140 40	21 22 23 24 25 26	100%
HGS Holdings, Inc.	Haverstick Government Solutions, Inc.	OH	850	2	100%
HGS Holdings, Inc.	Rocket Support Services, LLC	IN	1,000	n/a	100%
Gichner Holdings, Inc.	Gichner Systems, Inc.	DE	100	1	100%
Gichner Holdings, Inc.	Dallastown Realty I, LLC	DE	n/a	n/a	100%
Gichner Systems, Inc.	Charleston Marine Containers Inc.	DE	100	2	100%
Gichner Systems, Inc.	Gichner Systems International, Inc.	DE	1,000	5	100%
Gichner Systems International, Inc.	Gichner Europe Limited	U.K.	650 350	1 2	100%*
Dallastown Realty I, LLC	Dallastown Realty II, LLC	DE	n/a	n/a	100%

* 100% of non-voting shares and equity interests and 65% of voting shares or equity interest constitute Pledged Securities

EXHIBIT A
FORM OF
REVOLVING CREDIT NOTE

$ May 19, 2010

FOR VALUE RECEIVED, the undersigned, KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation ("Borrower"), promises to pay, on the last day of the Commitment Period, as defined in the Credit Agreement (as hereinafter defined), to the order of ("Lender") at the main office of KEYBANK NATIONAL ASSOCIATION, as Agent, as hereinafter defined, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

AND 00/100 DOLLARS

or the aggregate unpaid principal amount of all Revolving Loans, as defined in the Credit Agreement, made by Lender to Borrower pursuant to Section 2.2(a) of the Credit Agreement, whichever is less, in lawful money of the United States of America.

As used herein, "Credit Agreement" means the Credit and Security Agreement dated as of May 19, 2010, among Borrower, the Lenders, as defined therein, and KeyBank National Association, as the lead arranger, sole book runner and administrative agent for the Lenders ("Agent"), as the same may from time to time be amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

Borrower also promises to pay interest on the unpaid principal amount of each Revolving Loan from time to time outstanding, from the date of such Revolving Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.3(a) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.3(a); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Base Rate Loans and Eurodollar Loans, interest owing thereon and payments of principal and interest of any thereof, shall be shown on the records of Lender by such method as Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of Borrower under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is one of the Revolving Credit Notes referred to in the Credit Agreement and is entitled to the benefits thereof. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, Borrower expressly waives presentment, demand, protest and notice of any kind. This Note shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions.

JURY TRIAL WAIVER. BORROWER, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWER, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION

WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER NOTE OR INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

KRATOS DEFENSE & SECURITY
SOLUTIONS, INC.

By: _____

Name: _____

Title: _____

EXHIBIT B
FORM OF
SWING LINE NOTE

$5,000,000 May 19, 2010

FOR VALUE RECEIVED, the undersigned, KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation ("Borrower"), promises to pay to the order of KEYBANK NATIONAL ASSOCIATION ("Swing Line Lender") at the main office of KEYBANK NATIONAL ASSOCIATION, as Agent, as hereinafter defined, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

FIVE MILLION AND 00/100 DOLLARS

or the aggregate unpaid principal amount of all Swing Loans, as defined in the Credit Agreement (as hereinafter defined), made by the Swing Line Lender to Borrower pursuant to Section 2.2(c) of the Credit Agreement, whichever is less, in lawful money of the United States of America on the earlier of the last day of the Commitment Period, as defined in the Credit Agreement, or, with respect to each Swing Loan, the Swing Loan Maturity Date applicable thereto.

As used herein, "Credit Agreement" means the Credit and Security Agreement dated as of May 19, 2010, among Borrower, the Lenders, as defined therein, and KeyBank National Association, as the lead arranger, sole book runner and administrative agent for the Lenders ("Agent"), as the same may from time to time be amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

Borrower also promises to pay interest on the unpaid principal amount of each Swing Loan from time to time outstanding, from the date of such Swing Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.3(b) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.3(b); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The principal sum hereof from time to time and the payments of principal and interest thereon, shall be shown on the records of Swing Line Lender by such method as Swing Line Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligation of Borrower under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is the Swing Line Note referred to in the Credit Agreement and is entitled to the benefits thereof. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, Borrower expressly waives presentment, demand, protest and notice of any kind. This Note shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions.

JURY TRIAL WAIVER. BORROWER, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWER,

AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER NOTE OR INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

KRATOS DEFENSE & SECURITY
SOLUTIONS, INC.

By: _____

Name: _____

Title: _____

EXHIBIT C
FORM OF
BORROWING BASE CERTIFICATE

See attached.

EXHIBIT D
FORM OF
NOTICE OF LOAN

, 20

KeyBank National Association, as Agent
127 Public Square
Cleveland, Ohio 44114-0616
Attention: Asset Based Lending

Ladies and Gentlemen:

The undersigned, KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation ("Borrower"), refers to the Credit and Security Agreement, dated as of May 19, 2010 ("Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, the Lenders, as defined in the Credit Agreement, and KEYBANK NATIONAL ASSOCIATION, as the lead arranger, sole book runner and administrative agent for the Lenders ("Agent"), and hereby gives you notice, pursuant to Section 2.5 of the Credit Agreement that Borrower hereby requests a Loan (the "Proposed Loan"), and in connection therewith sets forth below the information relating to the Proposed Loan as required by Section 2.5 of the Credit Agreement:

(a) The Business Day of the Proposed Loan is , 20 .

(b) The amount of the Proposed Loan is $.

(c) The Proposed Loan is to be a Base Rate Loan / Eurodollar Loan / Swing Loan . (Check one.)

(d) If the Proposed Loan is a Eurodollar Loan, the Interest Period requested is one month , two months , three months , six months . (Check one.)

The undersigned hereby certifies on behalf of Borrower that the following statements are true on the date hereof, and will be true on the date of the Proposed Loan:

(i) the representations and warranties contained in each Loan Document are correct, before and after giving effect to the Proposed Loan and the application of the proceeds therefrom, as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Proposed Loan, or the application of proceeds therefrom, that constitutes a Default or Event of Default; and

(iii) the conditions set forth in Section 2.5 and Article IV of the Credit Agreement have been satisfied.

KRATOS DEFENSE & SECURITY
SOLUTIONS, INC.

By: _____

Name: _____

Title: _____

EXHIBIT E
FORM OF
COMPLIANCE CERTIFICATE

For the Quarterly Reporting Period ended

THE UNDERSIGNED HEREBY CERTIFIES THAT:

(1) I am the duly elected [President] or [Chief Financial Officer] of KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation ("Borrower");

(2) I am familiar with the terms of that certain Credit and Security Agreement, dated as of May 19, 2010, among Borrower, the lenders from time to time named on *Schedule* 1 thereto (together with their respective successors and assigns, collectively, the "Lenders"), as defined in the Credit Agreement, and KEYBANK NATIONAL ASSOCIATION, as Agent (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement", the terms defined therein being used herein as therein defined), and the terms of the other Loan Documents, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;

(3) The review described in paragraph (2) above did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes or constituted a Default or Event of Default, at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate;

(4) The representations and warranties made by Borrower contained in each Loan Document are true and correct as though made on and as of the date hereof; and

(5) Set forth on Attachment I hereto are calculations of the financial covenants set forth in Sections 5.7 of the Credit Agreement, which calculations show compliance with the terms thereof.

IN WITNESS WHEREOF, I have signed this certificate the day of , 20 .

KRATOS DEFENSE & SECURITY
SOLUTIONS, INC.

By: _____

Name: _____

Title: _____

EXHIBIT F
FORM OF
ASSIGNMENT AND ACCEPTANCE AGREEMENT

This Assignment and Acceptance Agreement (this "Assignment Agreement") between (the "Assignor") and (the "Assignee") is dated as of , 20 . The parties hereto agree as follows:

1. *Preliminary Statement.* Assignor is a party to a Credit and Security Agreement, dated as of May 19, 2010 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"), among KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a Delaware corporation ("Borrower"), the lenders named on *Schedule 1* thereto (together with their respective successors and assigns, collectively, the "Lenders" and, individually, each a "Lender"), and KEYBANK NATIONAL ASSOCIATION, as the lead arranger, sole book runner and administrative agent for the Lenders ("Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. *Assignment and Assumption.* Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor, an interest in and to Assignor's rights and obligations under the Credit Agreement, effective as of the Assignment Effective Date (as hereinafter defined), equal to the percentage interest specified on *Annex 1* hereto (hereinafter, the "Assigned Percentage") of Assignor's right, title and interest in and to (a) the Commitment, (b) any Loan made by Assignor that is outstanding on the Assignment Effective Date, (c) Assignor's interest in any Letter of Credit outstanding on the Assignment Effective Date, (d) any Note delivered to Assignor pursuant to the Credit Agreement, and (e) the Credit Agreement and the other Related Writings. After giving effect to such sale and assignment and on and after the Assignment Effective Date, Assignee shall be deemed to have a "Commitment Percentage" under the Credit Agreement equal to the Commitment Percentage set forth in subpart II on *Annex 1* hereto and an Assigned Amount as set forth on subpart II of *Annex 1* hereto (hereinafter, the "Assigned Amount").

3. *Assignment Effective Date.* The Assignment Effective Date (the "Assignment Effective Date") shall be [,] (or such other date agreed to by Agent). On or prior to the Assignment Effective Date, Assignor shall satisfy the following conditions:

(a) receipt by Agent of this Assignment Agreement, including *Annex 1* hereto, properly executed by Assignor and Assignee and accepted and consented to by Agent and, if necessary pursuant to the provisions of Section 11.10(b) of the Credit Agreement, by Borrower;

(b) receipt by Agent from Assignor of a fee of Three Thousand Five Hundred Dollars ($3,500), if required by Section 11.10(d) of the Credit Agreement;

(c) receipt by Agent from Assignee of an administrative questionnaire, or other similar document, which shall include (i) the address for notices under the Credit Agreement, (ii) the address of its Lending Office, (iii) wire transfer instructions for delivery of funds by Agent, (iv) and such other information as Agent shall request; and

(d) receipt by Agent from Assignor or Assignee of any other information required pursuant to Section 11.10 of the Credit Agreement or otherwise necessary to complete the transaction contemplated hereby.

4. *Payment Obligations.* In consideration for the sale and assignment of Loans hereunder, Assignee shall pay to Assignor, on the Assignment Effective Date, the amount agreed to by Assignee and Assignor. Any interest, fees and other payments accrued prior to the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignor. Any interest, fees and other payments accrued on and after the Assignment Effective Date with respect to the Assigned Amount

shall be for the account of Assignee. Each of Assignor and Assignee agrees that it will hold in trust for the other party any interest, fees or other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and to pay the other party any such amounts which it may receive promptly upon receipt thereof.

5. *Credit Determination; Limitations on Assignor's Liability.* Assignee represents and warrants to Assignor, Borrower, Agent and the Lenders (a) that it is capable of making and has made and shall continue to make its own credit determinations and analysis based upon such information as Assignee deemed sufficient to enter into the transaction contemplated hereby and not based on any statements or representations by Assignor; (b) Assignee confirms that it meets the requirements to be an assignee as set forth in Section 11.10 of the Credit Agreement; (c) Assignee confirms that it is able to fund the Loans and the Letters of Credit as required by the Credit Agreement; (d) Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the Related Writings are required to be performed by it as a Lender thereunder; and (e) Assignee represents that it has reviewed each of the Loan Documents, including, but not limited to the Intercreditor Agreement and by its signature to this Assignment Agreement, agrees to be bound by and subject to the terms and conditions of the Intercreditor Agreement as if it were an original party thereto. It is understood and agreed that the assignment and assumption hereunder are made without recourse to Assignor and that Assignor makes no representation or warranty of any kind to Assignee and shall not be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the Credit Agreement or any Related Writings, (ii) any representation, warranty or statement made in or in connection with the Credit Agreement or any of the Related Writings, (iii) the financial condition or creditworthiness of Borrower or any Guarantor of Payment, (iv) the performance of or compliance with any of the terms or provisions of the Credit Agreement or any of the Related Writings, (v) the inspection of any of the property, books or records of Borrower, or (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans or Letters of Credit. Neither Assignor nor any of its officers, directors, employees, agents or attorneys shall be liable for any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans, the Letters of Credit, the Credit Agreement or the Related Writings, except for its or their own gross negligence or willful misconduct. Assignee appoints Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to Agent by the terms thereof.

6. *Indemnity.* Assignee agrees to indemnify and hold Assignor harmless against any and all losses, cost and expenses (including, without limitation, attorneys' fees) and liabilities incurred by Assignor in connection with or arising in any manner from Assignee's performance or non-performance of obligations assumed under this Assignment Agreement.

7. *Subsequent Assignments.* After the Assignment Effective Date, Assignee shall have the right, pursuant to Section 11.10 of the Credit Agreement, to assign the rights which are assigned to Assignee hereunder, provided that (a) any such subsequent assignment does not violate any of the terms and conditions of the Credit Agreement, any of the Related Writings, or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Credit Agreement or any of the Related Writings has been obtained, (b) the assignee under such assignment from Assignee shall agree to assume all of Assignee's obligations hereunder in a manner satisfactory to Assignor, and (c) Assignee is not thereby released from any of its obligations to Assignor hereunder.

8. *Reductions of Aggregate Amount of Commitments.* If any reduction in the Total Commitment Amount occurs between the date of this Assignment Agreement and the Assignment Effective Date, the percentage of the Total Commitment Amount assigned to Assignee shall remain the percentage specified in Section 1 hereof and the dollar amount of the Commitment of Assignee shall be recalculated based on the reduced Total Commitment Amount.

9. *Acceptance of Agent; Notice by Assignor.* This Assignment Agreement is conditioned upon the acceptance and consent of Agent and, if necessary pursuant to Section 11.10 of the Credit Agreement, upon the acceptance and consent of Borrower; provided that the execution of this Assignment Agreement by Agent and, if necessary, by Borrower is evidence of such acceptance and consent.

10. *Entire Agreement.* This Assignment Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

11. *Governing Law.* This Assignment Agreement shall be governed by the laws of the State of Ohio, without regard to conflicts of laws.

12. *Notices.* Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto (until notice of a change is delivered) shall be the address set forth under each party's name on the signature pages hereof.

13. *Counterparts.* This Assignment Agreement may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

[Remainder of page intentionally left blank.]

14. JURY TRIAL WAIVER. EACH OF THE UNDERSIGNED, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG AGENT, ANY OF THE LENDERS, AND BORROWER, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS INSTRUMENT OR ANY NOTE OR OTHER AGREEMENT, INSTRUMENT OR DOCUMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED HERETO.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

ASSIGNOR:

Address: _____

_____

Attn: _____

Phone: _____

Fax: _____

By: _____

Name: _____

Title: _____

ASSIGNEE:

Address: _____

_____

Attn: _____

Phone: _____

Fax: _____

By: _____

Name: _____

Title: _____

Accepted and Consented to this day of , 20 :

KEYBANK NATIONAL ASSOCIATION, as Agent

By: _____

Name: _____

Title: _____

Accepted and Consented to this day of , 20 :

KRATOS DEFENSE & SECURITY SOLUTIONS, INC., as Borrower

By: _____

Name: _____

Title: _____

ANNEX 1
TO
ASSIGNMENT AND ACCEPTANCE AGREEMENT

On and after the Assignment Effective Date, after giving effect to all other assignments being made by Assignor on the Assignment Effective Date, the Commitment of Assignee, and, if this is less than an assignment of all of Assignor's interest, Assignor, shall be as follows:

I.	INTEREST BEING ASSIGNED TO ASSIGNEE		
	Commitment Percentage of Revolving Credit Commitment		%
	Assigned Amount	$	
II.	ASSIGNEE'S COMMITMENT (as of the Assignment Effective Date)		
	Commitment Percentage of Revolving Credit Commitment		%
	Assignee's Revolving Credit Commitment amount	$	
III.	ASSIGNOR'S COMMITMENT (as of the Assignment Effective Date)		
	Commitment Percentage of Revolving Credit Commitment		%
	Assignor's remaining Revolving Credit Commitment amount	$	

EXHIBIT G
FORM OF
INSTRUMENT OF ASSIGNMENT

ASSIGNMENT OF CLAIMS
[Contract Number]

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, [Company] (the "Company"), does hereby assign, transfer and set over to KeyBank National Association, as the administrative agent ("Agent") for the lenders under that certain Credit Agreement, dated as May 19, 2010 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"), by and among Kratos Defense & Security Solutions, Inc. ("Borrower"), Agent, and the lenders party thereto, all its right, title and interest in and to all payments due under the Contract Number [Contract Number] (the "Contract") payable by [Customer] to the Company pursuant to the Contract.

IN WITNESS WHEREOF, the Company has caused this Assignment of Claims to be executed by its duly authorized officer this day of , 20 .

[Company]

By: _____

Name: _____

Title: _____

I, [ ], in my capacity as the [Secretary] of [Company], do hereby certify that [ ] is the duly elected [ ] of [Company] and that the signature set forth opposite [her][his] name above is [her][his] genuine signature.

By: _____

Name: _____

Title: _____

EXHIBIT H
FORM OF
NOTICE OF ASSIGNMENT OF CLAIMS

TO: [Contract Officer]
[Customer]
[Contract Officer Contact]

This is in reference to Contract No. [Contract Number], dated [Contract Date], entered into between [Company] [Company Address] and [Customer] [Contract Officer Contact], for [Contract Description].

Moneys due or to become due under the contract described above have been assigned to the undersigned under the provisions of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 3727, 41 U.S.C. 15.

A true copy of the instrument of assignment executed by the Contractor on , is attached to the original notice.

Payments due or to become due under this contract should be made to the undersigned assignee.

Please return to the undersigned the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt, and signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours,

Address: 127 Public Square
Cleveland, Ohio 44114-1306
Attention: Asset Based Lending

KEYBANK NATIONAL ASSOCIATION,
as Agent

By: _____

Name: _____

Title: _____

Acknowledgement

Receipt is acknowledged of the above notice and of a copy of the instrument of assignment. They were received at (a.m.) (p.m.) on , 20 .

_____

[signature]

_____

[title]

_____

On behalf of

_____

[name of addressee of this notice]

QuickLinks

Exhibit 10.5

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.1

Independent Auditor's Report

To the Board of Directors and Stockholders
Gichner Holdings, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Gichner Holdings, Inc. and Subsidiaries as of December 31, 2009 and 2008 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gichner Holdings, Inc. and Subsidiaries at December 31, 2009 and 2008 and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 12 to the consolidated financial statements, the Company adopted a new accounting standard for accounting for uncertainty in income taxes as of January 1, 2009.

/s/ Plante & Moran, PLLC

March 24, 2010

Gichner Holdings, Inc. and Subsidiaries
Consolidated Balance Sheet

	December 31, 2009	December 31, 2008
Assets		
Current Assets		
Cash and cash equivalents	$ 5,907,114	$ 2,662,025
Accounts receivable:		
Trade	19,649,205	13,570,446
Unbilled (Note 4)	1,357,796	1,354,557
Inventories (Note 3)	19,640,984	14,657,506
Costs and estimated earnings in excess of billings (Note 4)	3,762,151	4,316,209
Prepaid expenses and other current assets:		
Prepaid expenses and other current assets	3,631,937	3,452,848
Deferred tax assets (Note 12)	1,374,000	1,197,000
Total current assets	55,323,187	41,210,591
Property and Equipment—Net (Note 5)	16,969,588	17,126,031
Goodwill	1,263,013	1,263,013
Intangible Assets (Note 6)	3,317,991	3,765,663
Other Assets		
Restricted cash	534,061	605,092
Deferred financing costs	309,424	407,889
Total assets	**$ 77,717,264**	**$ 64,378,279**
Liabilities and Stockholders' Equity		
Current Liabilities		
Trade accounts payable	$ 16,167,554	$ 11,063,760
Current portion of long-term debt (Note 8)	2,614,853	1,459,037
Billings in excess of costs and estimated earnings (Note 4)	6,272,916	6,046,015
Accrued and other current liabilities (Notes 11 and 13)	8,240,373	5,401,162
Total current liabilities	33,295,696	23,969,974
Long-term Debt—Net of current portion (Note 8)	14,623,889	17,238,742
Other Long-term Liabilities		
Deferred tax liabilities (Note 12)	1,290,000	1,904,000
Other long-term liabilities	1,370,925	1,127,569
Stockholders' Equity (Note 10)	27,136,754	20,137,994
Total liabilities and stockholders' equity	**$ 77,717,264**	**$ 64,378,279**

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Consolidated Statement of Operations

	Year Ended	
	December 31, 2009	December 31, 2008
Net Sales	$ 147,123,581	$ 69,690,903
Cost of Sales	122,392,606	55,985,332
Gross Profit	24,730,975	13,705,571
Operating Expenses	12,587,454	9,486,931
Operating Income	12,143,521	4,218,640
Nonoperating Income (Expenses)		
Interest income	26,382	22,300
Interest expense	(1,559,917)	(2,112,065)
Other expense—Net	(7,226)	(33,915)
Total nonoperating expenses	(1,540,761)	(2,123,680)
Income—Before income taxes and extraordinary item	10,602,760	2,094,960
Income Tax Expense (Note 12)	5,102,000	1,359,000
Income—Before extraordinary item	5,500,760	735,960
Extraordinary Item—Gain on CMCI acquisition (Note 2)	1,672,000	2,079,361
Net Income	**$ 7,172,760**	**$ 2,815,321**

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity

	Common Stock	Preferred Stock—Series A	Preferred Stock—Series B	Additional Paid-in Capital	Retained Earnings	Total
Balance—January 1, 2008	$ 1,131	$ 109	$ —	$ 12,114,724	$ 406,709	$ 12,522,673
Net income	—	—	—	—	2,815,321	2,815,321
Issuance of preferred stock	—	—	4,800	4,795,200	—	4,800,000
Balance—December 31, 2008	1,131	109	4,800	16,909,924	3,222,030	20,137,994
Effect of adopting accounting standard for uncertainty in income taxes (Note 12)	—	—	—	—	(174,000)	(174,000)
Net income	—	—	—	—	7,172,760	7,172,760
Balance—December 31, 2009	**$ 1,131**	**$ 109**	**$ 4,800**	**$ 16,909,924**	**$ 10,220,790**	**$ 27,136,754**

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Consolidated Statement of Cash Flows

	Year Ended	
	December 31, 2009	December 31, 2008
Cash Flows from Operating Activities		
Net income	$ 7,172,760	$ 2,815,321
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	1,729,790	1,596,646
Amortization of intangible assets	447,672	447,672
Amortization of deferred financing costs	98,465	98,464
Change in PIK interest	322,449	307,360
Extraordinary gain on CMCI acquisition	(1,672,000)	(2,079,361)
Loss on sale of property and equipment	8,281	42,130
Change in fair value of interest rate collar	(95,037)	171,856
Deferred income taxes	881,000	714,400
Changes in operating assets and liabilities which (used) provided cash:		
Accounts receivable	(6,078,759)	(2,154,318)
Unbilled accounts receivable	(3,239)	(184,311)
Inventory	(4,983,478)	(5,028,083)
Costs and estimated earnings in excess of billings	554,058	(550,156)
Prepaid expenses and other assets	(179,089)	(1,948,778)
Accounts payable	5,103,794	6,376,514
Billings in excess of costs and estimated earnings	226,901	1,406,586
Accrued and other liabilities	2,681,155	(646,307)
Net cash provided by operating activities	6,214,723	1,385,635
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,582,828)	(1,246,276)
Change in restricted cash related to letter of credit	71,031	468,889
Acquisition of CMCI—Net of cash acquired	—	(2,191,712)
Proceeds from sale of property and equipment	1,200	—
Net cash used in investing activities	(1,510,597)	(2,969,099)
Cash Flows from Financing Activities		
Payments on long-term debt	(1,459,037)	(1,052,221)
Proceeds from issuance of preferred stock	—	4,800,000
Net cash (used in) provided by financing activities	(1,459,037)	3,747,779
Net Increase in Cash and Cash Equivalents	3,245,089	2,164,315
Cash and Cash Equivalents—Beginning of period	2,662,025	497,710
Cash and Cash Equivalents—End of period	**$ 5,907,114**	**$ 2,662,025**
Supplemental Cash Flow Information—Cash paid for		
Interest	$ 1,510,717	1,951,780
Taxes	4,941,000	725,000

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2009 and 2008

Note 1—Nature of Business and Significant Accounting Policies

Gichner Holdings, Inc. and Subsidiaries (the "Company") design, manufacture, and integrate tactical shelters and intermodal equipment for military and commercial applications. The Company operates primarily in Dallastown, Pennsylvania and Charleston, South Carolina.

Principles of Consolidation—The accompanying consolidated financial statements include the accounts of Gichner Holdings, Inc. and its wholly owned subsidiaries, Dallastown Realty I, LLC (including its wholly owned subsidiary, Dallastown Realty II, LLC) and Gichner Systems Group, Inc. (including its wholly owned subsidiaries, Gichner Systems International, Inc. and Charleston Marine Containers, Inc.) All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents—The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Trade Accounts Receivable—Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance for doubtful accounts as of December 31, 2009 and 2008 was $49,000 and $45,000, respectively.

Major Customers—Sales are predominantly to various agencies and military branches of the United States government and to government contractors. The Company extends trade credit to its customers on terms that are generally practiced in the industry. Three major customers, one of which is the United States Army, accounted for approximately 40 percent and 70 percent of net sales for 2009 and 2008, respectively. These same customers accounted for approximately 40 percent of accounts receivable at December 31, 2009 and 2008.

Inventory—Inventory is stated at the lower of cost or market using the average cost method of inventory costing. For certain contracts, progress billings to customers are recorded as a contra inventory when paid.

Property and Equipment—Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill—The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis for impairment. There were no impairment charges or other changes in goodwill recognized in 2009 or 2008. It is reasonably possible that management's estimates of the carrying amount of goodwill will change in the near term.

Intangible Assets—Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

Restricted Cash—The Company maintains escrow accounts to secure the payment of any claim, including contingent environmental liabilities, or breach of contract related to its recent business

acquisitions. These agreements expire through August 2010. Restricted cash held in these escrow accounts approximated $534,000 and $605,000 at December 31, 2009 and 2008, respectively, and the Company has recorded an offsetting liability within accrued and other liabilities for the respective amounts at December 31, 2009 and 2008 (see Note 11).

Deferred Finance Costs—Deferred financing costs of approximately $542,000 are being amortized over the terms of the related debt agreements using the straight-line method. Accumulated amortization of these costs was approximately $232,000 and $134,000 at December 31, 2009 and 2008, respectively.

Warranties—The Company records a liability for estimated costs to be incurred under its limited warranty policy when revenue is recognized. The warranty reserve is estimated based upon number of units sold and the Company's historical and anticipated rates of claims.

Revenues and Cost Recognition—The Company provides contract services under time-and-material, cost-plus-fixed-fee, and fixed-price contracts relating to the manufacture of products. Revenue is recorded at the time services are completed or when products are shipped. For long-term contracts, revenues are recorded on the percentage-of-completion method. Revenues and gross profit are recognized as work is performed, primarily at the time deliveries are made or accepted, or based on the relationship between actual costs incurred and total estimated costs at completion. Revenues and gross profits are adjusted prospectively for revisions in estimated total contract costs and contract values. Estimated losses are recorded when identified.

Differences between recorded costs and estimated earnings and final billings are recognized in the period in which they become determinable. Costs and estimated earnings in excess of billings on uncompleted contracts are recorded as a current asset. Billings in excess of costs on uncompleted contracts are recorded as current liabilities. Generally, contracts provide for the billing of costs incurred and estimated earnings either periodically or based on certain milestones achieved. Additionally, unbilled receivables represent costs incurred that have been earned but not yet billed and collected from the customer. Billings are prepared in accordance with terms of the customer agreement.

Due to inherent limitations in the estimation process, including changes in job performance, job conditions, and estimated profitability, it is at least reasonably possible that, in the near term, the Company will revise its cost and profit estimates related to contracts in progress.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes—A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

The Company classifies interest and penalties associated with tax liabilities as income taxes in the accompanying consolidated financial statements.

Reclassification—Certain 2008 amounts have been reclassified to conform to the 2009 presentation, primarily relating to the classification of billings in excess of costs and estimated earnings of approximately $3,667,000 which was previously included in accrued and other current liabilities. The reclassification had no effect on current liabilities or other subtotals in the consolidated 2008 balance sheet.

Subsequent Events—The consolidated financial statements and related disclosures include evaluation of events up through and including March 24, 2010, which is the date the consolidated financial statements were available to be issued.

Note 2—Business Combinations

On October 3, 2008, Gichner Systems Group, Inc. acquired the stock of Charleston Marine Containers, Inc. (CMCI) in a business combination accounted for using the purchase method of accounting. CMCI designs and produces a broad range of intermodal equipment that provides logistics solutions for United States military and commercial customers. The total purchase price was approximately $6,243,000, including related transaction fees, and was funded primarily through equity contributions totaling $4,800,000. The remainder of the purchase price was funded through working capital. The estimated fair value of net assets acquired exceeded the purchase price, which resulted in the elimination of the amount that would otherwise have been assigned to property and equipment and intangible assets. The resulting excess of the net assets acquired over the purchase price of approximately $2,079,000, after all tax considerations, has been recognized as an extraordinary gain during 2008.

The following table summarizes the estimated fair value of the CMCI assets acquired, liabilities assumed, and extraordinary gain recognized at the date of acquisition:

Cash	$ 4,052,000
Accounts receivable	5,841,000
Inventories	5,320,000
Other current assets	116,000
Accounts payable	(1,392,000)
Accrued and other liabilities	(5,615,000)
Net assets acquired	8,322,000
Purchase price	6,243,000
Extraordinary gain	$ 2,079,000

In 2009, the Company recognized an additional extraordinary gain of $1,672,000 related to the CMCI acquisition based upon information that became available subsequent to the date of the transaction related to the carryover tax basis of certain assets acquired that resulted in the recognition of additional deferred tax assets.

Note 3—Inventory

Inventory at December 31, 2009 and 2008 consists of the following:

	2009	2008
Raw materials	$ 17,145,586	$ 9,671,252
Work in progress	769,748	1,877,665
Finished goods	1,725,650	3,108,589
Total inventory	$ 19,640,984	$ 14,657,506

Note 4—Contracts in Progress

Costs and estimated earnings on contracts in progress at December 31, 2009 and 2008 are as follows:

	2009	2008
Costs incurred on uncompleted contracts	$ 118,270,218	$ 62,011,188
Estimated earnings	12,696,057	5,596,878
Total	130,966,275	67,608,066
Less billings to date	132,119,244	67,983,315
Net	$ (1,152,969)	$ (375,249)
Consolidated balance sheet classification:		
Unbilled accounts receivable	$ 1,357,796	$ 1,354,557
Costs and estimated earnings in excess of billings	3,762,151	4,316,209
Billings in excess of costs	(6,272,916)	(6,046,015)
Net	$ (1,152,969)	$ (375,249)

Note 5—Property and Equipment

Property and equipment at December 31, 2009 and 2008 are summarized as follows:

	2009	2008	Depreciable Life—Years
Land	$ 1,875,000	$ 1,875,000	—
Buildings	4,625,000	4,625,000	40
Building improvements	236,916	—	3-10
Machinery and equipment	11,700,983	10,573,691	7-10
Transportation equipment	23,680	25,030	5
Furniture and fixtures	857,812	754,123	3-5
Computer equipment and software	1,447,698	1,255,566	3-5
Construction in progress	61,730	149,884	—
Total cost	20,828,819	19,258,294	
Accumulated depreciation	3,859,231	2,132,263	
Net property and equipment	$ 16,969,588	$ 17,126,031	

Depreciation expense was approximately $1,730,000 and $1,597,000, respectively, for 2009 and 2008.

Note 6—Acquired Intangible Assets

Intangible assets of the Company at December 31, 2009 and 2008 are summarized as follows:

	2009		2008	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
Technical library	$ 1,940,000	$ 457,355	$ 1,940,000	$ 263,355
Trademarks and tradenames	884,278	138,979	884,278	80,027
Customer relationships and customer-related intangibles	678,000	159,839	678,000	92,039
Process manuals	473,000	111,510	473,000	64,210
Noncompete agreements	398,100	187,704	398,100	108,084
Total	$ 4,373,378	$ 1,055,387	$ 4,373,378	$ 607,715

Amortization expense for intangible assets totaled approximately $448,000 for each of the years ended December 31, 2009 and 2008. The intangible assets have a weighted-average life of 10 years (10 years for the technical library, customer-related intangibles, and process manuals, 15 years for the trademarks and tradenames, and 5 years for the noncompete agreements).

Estimated amortization for the intangible assets for each of the next five years ending December 31 and thereafter are as follows:

2010	$ 448,000
2011	448,000
2012	419,000
2013	368,000
2014	368,000
Thereafter	1,267,000
Total	$ 3,318,000

Note 7—Operating Leases

The Company is obligated under operating leases primarily for a manufacturing facility, office space, and forklifts, expiring at various dates through April 2013. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2010	$ 247,335
2011	72,335
2012	2,515
2013	687
Total	$ 322,872

Rent expense was approximately $356,000 and $409,000 for 2009 and 2008, respectively.

Note 8—Line of Credit and Long-term Debt

Long-term debt at December 31, 2009 and 2008 is as follows:

	2009	2008
Term Loan A, payable to a bank with monthly principal payments ranging from $15,700 to $25,400, plus interest through July 25, 2014. The balance of the loan is due on August 22, 2014. Interest (1.98 percent at December 31, 2009) is at LIBOR plus a margin. The Company has entered into a swap agreement (see below) with a financial institution that provides for a cap on LIBOR at 6.5 percent and a floor of 3.5 percent plus a margin (as defined in the agreement). The note is collateralized by a security interest in all assets of the Company	$ 4,892,349	$ 5,093,386
Term Note B, payable to a bank with monthly principal payments ranging from $75,000 to $150,000, plus interest through July 25, 2014. The balance of the loan is due on August 22, 2014. Interest (2.98 percent at December 31, 2009) is at LIBOR plus a margin. In addition to the regularly scheduled payments as identified above, the Company is required to make annual principal payments equal to 25 percent of the Company's excess cash flow, as defined, until the loan has been paid in full. The note is collateralized by a security interest in all assets of the Company	6,546,393	7,804,393
Subordinated notes payable to stockholders with a combined face value of $5,800,000. Principal is due in full on January 22, 2013. Interest accrues on the outstanding principal at a rate of 12 percent, plus additional interest of 5 percent ("PIK" interest) due at maturity. The Company has accrued PIK interest of approximately $737,000 and $414,000 at December 31, 2009 and 2008, respectively, which is included in other long-term liabilities. These notes are subordinated to the bank borrowings and are uncollateralized. During March 2010, the Company made payments of approximately $2,700,000 related to the outstanding principal balance and accrued PIK interest	$ 5,800,000	$ 5,800,000
Total	17,238,742	18,697,779
Less current portion	2,614,853	1,459,037
Long-term portion	$ 14,623,889	$ 17,238,742

The balance of the above debt matures as follows, including an additional payment in 2010 of $1,297,000 relating to the excess cash flow requirement of Term Note B:

2010	$ 2,614,853
2011	1,736,075
2012	1,855,822
2013	7,126,613
2014	3,905,379
Total	$ 17,238,742

The Company also has a line of credit facility with a bank that provides for maximum borrowings of $7,000,000, subject to availability as determined by a formula in the agreement, expiring in August 2012. Under an amendment, maximum borrowings were temporarily increased to $8,000,000 through April 1, 2009. Up to $5,000,000 of the facility is available for letters of credit. The facility is collateralized by a security interest in all assets of the Company and carries a fee on the unused portion. Interest (1.73 percent at December 31, 2009) is at LIBOR plus a margin and

payable monthly. There was no outstanding balance on the line of credit as of December 31, 2009 or 2008.

Under the agreements with the bank, the Company is subject to various financial covenants, including fixed charge coverage and leverage.

At December 31, 2009, the Company has outstanding letters of credit totaling approximately $4,657,000, which reduces the availability on the line of credit. These letters of credit expire through August 2010.

As of December 31, 2009 and 2008, the Company held an interest rate collar in connection with the Company's Term Loan A (as described above) with a notional amount equal to the outstanding loan balance. This interest rate collar provides for a cap on LIBOR at 6.5 percent and a floor of 3.5 percent plus a margin (as defined in the agreement). This interest rate collar is recognized in the accompanying consolidated balance sheet at fair value. Although the interest rate collar is intended to hedge the exposure to variability in interest payments from changes in interest rates of the Company's variable rate debt, this derivative instrument does not meet the criteria for a cash flow hedge. As a result, changes in fair value are recorded in earnings.

At December 31, 2009 and 2008, the fair value of the interest rate collar was approximately ($132,000) and ($227,000), respectively, included in the consolidated balance sheet in accrued and other current liabilities. The change in fair value was recognized as a (credit) charge to earnings of approximatey ($95,000) and $172,000 in 2009 and 2008, respectively. Net realized losses totaled approximately $160,000 and $37,000 in 2009 and 2008, respectively. Both realized and unrealized gains and losses are recognized as a component of interest expense.

Note 9—Retirement Plans

The Company sponsors a defined contribution 401(k) and profit-sharing plan. Eligible employees may defer up to 75 percent of their compensation, subject to the maximum amount allowable by the Internal Revenue Service. The Company makes a matching contribution and may make an additional profit-sharing contribution, both subject to limitations. The Company contributed approximately $348,000 and $233,000 to the plan for 2009 and 2008, respectively.

Note 10—Common and Preferred Stock

All common and preferred stock is subject to the terms of a security holders agreement which contains certain covenants and restrictions on the ability to transfer shares. The security holders agreement contains provisions for elective purchases of shares by the Company or other stockholders under certain circumstances.

The Company has 1,009,131 shares of authorized voting common stock with a par value of $.01 per share. Voting rights for the common stock are one vote per share. As of December 31, 2009 and 2008, there were 113,125 shares issued and outstanding.

The Company has 10,869 shares of authorized Series A preferred stock (Series A) with a par value of $.01 per share and an original issue price of $1,000 per share. Series A is senior in ranking to the common stock with respect to certain rights.

More specifically, the Series A stockholders have the following rights: (1) cumulative dividends on each share of Series A shall accrue at the rate of 11 percent per annum of the original issue price compounded annually, (2) priority over the common stockholders in a liquidity event, as defined, and (3) voting rights equal to 10 votes per share. At December 31, 2009 and 2008, the amount of unpaid dividends on Series A was approximately $3,049,000 and $1,670,000, respectively.

The Company has 480,000 shares of authorized Series B convertible preferred stock (Series B) with a par value of $.01 per share and an original issue price of $10 per share. All 480,000 shares were issued in connection with the CMCI acquisition in 2008. Series B is senior in ranking to

Series A and to the common stock with respect to rights to dividends, liquidation, winding-up, and dissolution.

More specifically, the Series B stockholders have the following rights: (1) cumulative dividends on each share of Series B shall accrue at the rate of 12 percent per annum of the original issue price compounded quarterly, (2) priority over Series A and common stockholders in a liquidity event, as defined, (3) voting rights equal to one vote per share, and (4) right to convert Series B shares on a one-for-one basis into shares of common stock at a defined price as described below. At December 31, 2009 and 2008, the amount of unpaid dividends on Series B was approximately $593,000 and $144,000, respectively.

The Series B convertible preferred stock is convertible into shares of the Company's common stock on a one-for-one basis at any time at the option of the holder. The conversion price will initially be the initial per share price of the convertible preferred stock, subject to adjustment as further described in the subscription agreement, and includes any accrued and unpaid dividends (the "Conversion Price"). In addition, the holders of the Series B convertible preferred stock have certain liquidation rights as described in the agreement.

During March 2010, the Company redeemed 240,000 shares of the Series B convertible preferred stock in the amount of $2,400,000.

Note 11—Contingencies

The Company is partially self-insured for employee medical and dental benefits. The Company has obtained various levels of stop-loss coverage related to this matter. At December 31, 2009 and 2008, the Company has accrued $500,000 and $450,000, respectively, for known claims and estimated claims incurred but not reported.

Legal Matters

An environmental investigation in a prior year disclosed the presence of potential contamination of the ground water, surface water, and/or soil at the Company's Dallastown facilities. The Company has completed its environmental investigation with respect to these contaniments and has received a Release of Liability from the Pennsylvania Department of Environmental Protection ("PaDEP") for certain regulated substances in ground water at the Dallastown facility. At December 31, 2009 and 2008, the Company has accrued approximately $233,000 and $304,000, respectively, for any potential obligation relating to this matter as a result of appeals or other litigation that may result. Furthermore, an escrow with a balance of approximately $233,000 and $304,000 as of December 31, 2009 and 2008, respectively, has been established to indemnify the Company against this environmental contingency (see Note 1).

Futhermore, in October 2008, the Company experienced a release of a regulated substance at its Dallastown facility. The Company has taken steps to ensure that a similar release should not occur again and it reported the release to federal and state regulators. The Company has also completed its environmental investigation into this incident and has filed Remedial Investigation Reports/Final Reports with the PaDEP for the remaining regulated substances in soil and groundwater at the Dallastown facility for the October 2008 release. The Company anticipates that PaDEP approval of these reports will resolve all environmental matters at the Dallastown Facility.

In addition, in the normal course of business, the Company is subject to lawsuits and other legal matters. In the opinion of management, these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

Stock Option Plan

In May 2008, the Company adopted a stock option plan and granted options to certain employees. The options vest upon (i) the sale of the Company and (ii) the majority equity holder reaching a certain internal rate of return on its initial investment. There is an aggregate amount of 14,700

options authorized under this plan. As of December 31, 2009 and 2008, granted options totaled 14,180 and 10,973, respectively. No compensation expense related to the options granted will be recognized until the vesting conditions have been met.

Note 12—Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows:

	2009	2008
Current income tax expense	$ 4,186,000	$ 644,600
Deferred income tax expense	881,000	714,400
Penalties and interest	35,000	—
Total income tax expense	$ 5,102,000	$ 1,359,000

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes is as follows:

	2009	2008
Income tax expense computed at 34% of pretax income	$ 3,605,000	$ 712,000
Effect of nondeductible expenses	29,000	9,000
Effect of nondeductible losses from foreign subsidiaries	760,000	357,000
State tax expense	867,000	157,000
Other	(159,000)	124,000
Total income tax expense	$ 5,102,000	$ 1,359,000

The details of the net deferred tax asset (liability) are as follows:

	2009	2008
Total deferred tax liabilities	$ (2,354,000)	$ (2,111,000)
Total deferred tax assets	2,438,000	1,404,000
Net deferred tax asset (liability)	$ 84,000	$ (707,000)

Deferred tax liabilities result principally from the use of accelerated methods of depreciation for tax purposes and the amortization of certain intangible assets for tax purposes over a shorter period than for book purposes. Deferred tax assets result from recognition of expenses for financial reporting purposes that are not deductible for tax purposes until paid. Realization of a major portion of the deferred tax assets is dependent upon gathering sufficient taxable income in future periods. No valuation allowance has been recognized for the deferred tax assets.

Uncertain Tax Positions

The Company files income tax returns in the U.S. federal jurisdiction along with Pennsylvania, South Carolina, the United Kingdom, and France. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before December 31, 2006.

The Company adopted a new accounting standards related to the accounting for uncertainty in income taxes as of January 1, 2009. The new accounting standard clarifies the guidance for the recognition and measurement of income tax benefits related to uncertain tax positions.

As a result of the adoption of the new standard, the Company recognized an increase in the liability for unrecognized tax benefits totaling approximately $174,000, which was accounted for as a reduction to retained earnings as of January 1, 2009. Included in this amount is approximately $23,000 of interest and penalties.

Note 13—Warranties

The Company provides unconditional repair or replacement warranties on its products. The Company recognizes warranty obligations at the time products are sold based on historical rates of warranty claims and estimated current costs of repair or replacement. Following is a reconciliation of the Company's aggregate warranty obligation for the years ended December 31, 2009 and 2008:

	2009	2008
Balance—Beginning of year	$ 300,710	$ 200,000
Warranty claims	(317,194)	(199,076)
Warranty obligations recognized	566,959	299,786
Balance—End of year	$ 550,475	$ 300,710

Note 14—Related Party Transactions

The Company incurred approximately $440,000 and $344,000 of management fees and expenses to certain common and preferred stockholders in 2009 and 2008, respectively. Additionally, the Company incurred approximately $196,000 and $213,000 of legal fees to a certain common and preferred stockholder in 2009 and 2008, respectively. Included in interest expense is related party interest of approximately $813,000 and $721,000 for 2009 and 2008, respectively.

Note 15—Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provides a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2009, and the valuation techniques used by the Company to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. Significant Level 3 inputs include the present value of estimated cash flows.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The fair value of the interest rate derivative is determined using an income model based on the disparity between variable and fixed interest rates, the principal outstanding under the related note payable, yield curves, and other information readily available in the market.

Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2009

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Liabilities—Derivative financial instruments	$ —	$ 132,390	$ —	$ 132,390

Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2008

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2008
Liabilities—Derivative financial instruments	$ —	$ 227,427	$ —	$ 227,427

To the Board of Directors and Stockholders
Gichner Holdings, Inc. and Subsidiaries

We have audited the consolidated financial statements Gichner Holdings, Inc. and Subsidiaries as of December 31, 2009. Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating balance sheet and statement of operations are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and are not a required part of the basic consolidated financial statements. The consolidating information has been subjected to the procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

/s/ Plante & Moran, PLLC

March 24, 2010

Gichner Holdings, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2009

	Gichner Holdings, Inc.	Gichner Systems Group, Inc.	Gichner Systems International, Inc.	Dallastown Realty I, LLC	Charelston Marine Container, Inc.	Eliminations	Total
Assets							
Current Assets							
Cash and cash equivalents	$ —	$ 5,763,941	$ 23,798	$ —	$ 119,375	$ —	$ 5,907,114
Accounts receivable:							
Trade	—	9,037,742	—	—	10,611,463	—	19,649,205
Unbilled	—	723,187	634,609	—	—	—	1,357,796
Inventories	—	5,810,062	—	—	13,830,922	—	19,640,984
Costs and estimated earnings in excess of billings	—	3,508,983	193,367	—	59,801	—	3,762,151
Intercompany receivable	—	1,354,471	—	1,997,162	2,919,805	(6,271,438)	—
Prepaid expenses and other current assets:							
Prepaid expenses and other current assets	—	541,735	80,879	—	3,009,323	—	3,631,937
Deferred tax assets	—	883,000	—	—	491,000	—	1,374,000
Total current assets	—	27,623,121	932,653	1,997,162	31,041,689	(6,271,438)	55,323,187
Property and Equipment—Net	—	10,256,078	—	6,223,906	489,604	—	16,969,588
Goodwill	—	1,263,013	—	—	—	—	1,263,013
Intangible Assets	—	3,317,991	—	—	—	—	3,317,991
Investment in Subsidiary	27,136,754	—	—	—	—	(27,136,754)	—
Other Assets							
Restricted cash	—	534,061	—	—	—	—	534,061
Deferred tax assets	—	—	—	—	561,000	(561,000)	—
Deferred financing costs	—	309,424	—	—	—	—	309,424
Total other assets	—	843,485	—	—	561,000	(561,000)	843,485
Total assets	$ 27,136,754	$ 43,303,688	$ 932,653	$ 8,221,068	$ 32,092,293	$ (33,969,192)	$ 77,717,264
Liabilities and Stockholders' Equity							
Current Liabilities							
Trade accounts payable	$ —	$ 5,121,475	$ —	$ —	$ 11,046,079	$ —	$ 16,167,554
Current portion of long-term debt	—	2,614,853	—	—	—	—	2,614,853
Intercompany payable	—	4,916,967	1,354,471	—	—	(6,271,438)	—
Billings in excess of costs and estimated earnings	—	1,763,409	—	—	4,509,507	—	6,272,916
Accrued and other current liabilities	—	4,558,570	263,156	—	3,418,647	—	8,240,373
Total current liabilities	—	18,975,274	1,617,627	—	18,974,233	(6,271,438)	33,295,696
Long-term Debt—Net of current portion	—	14,623,889	—	—	—	—	14,623,889
Other Long-term Liabilities							
Deferred tax liabilities	—	1,851,000	—	—	—	(561,000)	1,290,000
Other long-term liabilities	—	1,370,925	—	—	—	—	1,370,925
Total liabilities	—	36,821,088	1,617,627	—	18,974,233	(6,832,438)	50,580,510
Stockholders' Equity	27,136,754	6,482,600	(684,974)	8,221,068	13,118,060	(27,136,754)	27,136,754
Total liabilities and stockholders' equity	$ 27,136,754	$ 43,303,688	$ 932,653	$ 8,221,068	$ 32,092,293	$ (33,969,192)	$ 77,717,264

Gichner Holdings, Inc. and Subsidiaries
Consolidating Statement of Operations
Year Ended December 31, 2009

	Gichner Holdings, Inc.	Gichner Systems Group, Inc.	Gichner Systems International, Inc.	Dallastown Realty I, LLC	Charelston Marine Container, Inc.	Eliminations	Total
Net Sales	$ —	$ 81,946,504	$ —	$ 859,800	$ 65,177,077	$ (859,800)	$ 147,123,581
Cost of Sales	—	67,809,027	750,702	—	54,657,683	(824,806)	122,392,606
Gross Profit	—	14,137,477	(750,702)	859,800	10,519,394	(34,994)	24,730,975
Operating Expenses	—	7,943,183	8,638	118,150	4,552,477	(34,994)	12,587,454
Operating Income (Loss)	—	6,194,294	(759,340)	741,650	5,966,917	—	12,143,521
Nonoperating Income (Expenses)							
Interest income	—	19,861	—	—	6,521	—	26,382
Interest expense	—	(1,559,917)	—	—	—	—	(1,559,917)
Earnings from consolidated subsidiaries	7,172,760	—	—	—	—	(7,172,760)	—
Other expense—Net	—	(6,832)	(598)	—	204	—	(7,226)
Total nonoperating income (expenses)	7,172,760	(1,546,888)	(598)	—	6,725	(7,172,760)	(1,540,761)
Income (Loss)—Before income taxes and extraordinary item	7,172,760	4,647,406	(759,938)	741,650	5,973,642	(7,172,760)	10,602,760
Income Tax Expense	—	1,986,000	—	4,000	3,112,000	—	5,102,000
Income (Loss)—Before extraordinary item	7,172,760	2,661,406	(759,938)	737,650	2,861,642	(7,172,760)	5,500,760
Extraordinary Item—Gain on CMCI acquisition	—	—	—	—	1,672,000	—	1,672,000
Net Income (Loss)	$ 7,172,760	$ 2,661,406	$ (759,938)	$ 737,650	$ 4,533,642	$ (7,172,760)	$ 7,172,760

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Independent Auditor's Report

To the Board of Directors and Stockholders
Gichner Holdings, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Gichner Holdings, Inc. and Subsidiaries as of December 31, 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the period from August 22, 2007 (post acquisition) through December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gichner Holdings, Inc. and Subsidiaries at December 31, 2007 and the consolidated results of its operations, changes in stockholders' equity, and cash flows for the period from August 22, 2007 (post acquisition) through December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC

April 4, 2008

Gichner Holdings, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2007

Assets	
Current Assets	
Cash and cash equivalents	$ 497,710
Accounts receivable:	
Trade	6,209,910
Unbilled (Note 4)	535,637
Inventories (Note 3)	4,522,780
Costs and estimated earnings in excess of billings (Note 4)	3,552,430
Prepaid expenses and other current assets:	
Prepaid expenses	1,387,994
Deferred tax recovery (Note 12)	378,400
Total current assets	17,084,861
Property and Equipment—Net (Note 5)	17,518,589
Goodwill (Note 2)	1,263,013
Intangible Assets (Notes 2 and 6)	4,213,335
Other Assets	
Restricted cash	768,889
Deferred financing costs	506,353
Total assets	**$ 41,355,040**
Liabilities and Stockholders' Equity	
Current Liabilities	
Trade accounts payable	$ 3,295,538
Current portion of long-term debt (Note 8)	1,074,675
Billings in excess of costs and estimated earnings (Note 4)	972,411
Accrued and other current liabilities (Note 11)	3,942,412
Total current liabilities	9,285,036
Long-term Debt—Net of current portion (Note 8)	18,675,325
Other Long-term Liabilities	
Deferred tax liabilities (Note 12)	371,000
Other long-term liabilities (Note 11)	501,006
Stockholders' Equity (Note 10)	12,522,673
Total liabilities and stockholders' equity	**$ 41,355,040**

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Consolidated Statement of Operations
Period from August 22, 2007 (post acquisition) through December 31, 2007

Net Sales	$ 20,281,980
Cost of Sales	16,254,549
Gross Profit	4,027,431
Operating Expenses	2,406,913
Operating Income	1,620,518
Nonoperating Income (Expenses)	
Interest income	18,067
Interest expense	(830,835)
Management fees	(137,601)
Other expense	(10,640)
Total nonoperating expenses	(961,009)
Income—Before income taxes	659,509
Income Tax Expense (Note 12)	252,800
Net Income	**$ 406,709**

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
Period from August 22, 2007 (post acquisition) through December 31, 2007

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance—August 22, 2007 (post acquisition)	$ 1,131	$ 109	$ 12,114,724	$ —	$ 12,115,964
Net income	—	—	—	406,709	406,709
Balance—December 31, 2007	**$ 1,131**	**$ 109**	**$ 12,114,724**	**$ 406,709**	**$ 12,522,673**

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
Period from August 22, 2007 (post acquisition) through December 31, 2007

Cash Flows from Operating Activities	
Net income	$ 406,709
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation	542,604
Amortization of intangible assets	160,043
Amortization of deferred financing costs	35,201
PIK interest	106,853
Interest rate swap	55,571
Changes in operating assets and liabilities which provided (used) cash:	
Accounts receivable	(2,110,107)
Unbilled accounts receivable	(409,485)
Inventory	242,429
Costs and earnings in excess of billings	398,706
Prepaid expenses and other assets	(584,133)
Accounts payable	(93,742)
Billings in excess of costs and earnings	580,262
Accrued and other liabilities	920,428
Net cash provided by operating activities	251,339
Cash Flows from Investing Activities—Purchase of property and equipment	(190,958)
Cash Flows from Financing Activities—Net reduction on line of credit	(127,869)
Net Decrease in Cash and Cash Equivalents	(67,488)
Cash and Cash Equivalents—Beginning of period	565,198
Cash and Cash Equivalents—End of period	**$ 497,710**
Supplemental Cash Flow Information—Cash paid for	
Interest	$ 643,884
Taxes	64,000

See Notes to Consolidated Financial Statements.

Gichner Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2007

Note 1—Nature of Business and Significant Accounting Policies

Gichner Holdings, Inc. and Subsidiaries (the "Company") design, manufacture, and integrate tactical shelters and related products for military applications. The Company operates primarily in Dallastown, Pennsylvania.

Reporting Period—As disclosed in Note 2, on August 22, 2007, the Company acquired substantially all of the assets and assumed certain liabilities of Gichner Systems Group, LLC and affiliates. The accompanying consolidated statements of operations, stockholders' equity, and cash flows present the activities of the Company for the period beginning August 22, 2007 (post acquisition) through December 31, 2007.

Principles of Consolidation—The consolidated financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP) and reports the Company's financial position and results of operations subsequent to the business acquisition discussed in Note 2. The accompanying consolidated financial statements include the accounts of Gichner Holdings, Inc. and its wholly owned subsidiaries, Dallastown Realty I, LLC (including its wholly owned subsidiary, Dallastown Realty II, LLC) and Gichner Systems Group, Inc. (including its wholly owned subsidiary, Gichner Systems International, Inc.). All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents—The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Trade Accounts Receivable—Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance for doubtful accounts as of December 31, 2007 was $15,000.

Credit Risk and Major Customers—Sales are predominantly to the United States government and government contractors. The Company extends trade credit to its customers on terms that are generally practiced in the industry. Three major customers, one of which is the United States government, accounted for approximately 65 percent of accounts receivable and net sales as of and for the period ended December 31, 2007.

Inventory—Inventory is stated at the lower of cost or market using the average cost method of inventory costing. Individual job costs are accumulated in work-in-progress inventory until the product is shipped and then charged to cost of sales. For certain contracts, progress billings to customers are recorded as a contra inventory when paid. Generally, the Company's operating cycle covers a 12-month period. However, some inventories are liquidated over longer periods. For financial reporting purposes, all inventories are classified in current assets.

Property and Equipment—Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill—The recorded amounts of goodwill from the business combination are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis for impairment. No impairment charge was recognized in the period ended December 31, 2007. It is reasonably possible that management's estimates of the carrying amount of goodwill will change in the near term.

Intangible Assets—Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

Restricted Cash—Under the terms of an escrow agreement in connection with the business acquisition, the Company maintains an escrow account to be used for contingent environmental liabilities (as described in the escrow agreement). At December 31, 2007, $300,000 of restricted cash is held for that purpose. The escrow agreement expires in August 2010. In addition, the Company is required to keep $466,000 on deposit with a bank as security for a letter of credit in that amount which the bank has issued for the Company in order to guarantee fulfillment of a project with a foreign customer. These amounts are included in noncurrent other assets on the consolidated balance sheet.

Deferred Finance Charges—Deferred financing costs of approximately $542,000 are amortized over the terms of the related debt agreements using the straight-line method and are included in noncurrent other assets on the consolidated balance sheet. Amortization of the debt issuance costs was approximately $35,000 for the period ended December 31, 2007.

Warranties—The Company records a liability for estimated costs to be incurred under its limited warranty policy when revenue is recognized. The warranty reserve is estimated based upon number of units sold and the Company's historical and anticipated rates of claims. As of December 31, 2007, the accrual for warranties is $200,000 and is included in accrued and other current liabilities on the consolidated balance sheet. Total warranty expense for the period ended December 31, 2007 was approximately $92,000, which represented the total warranty claims and warranty obligations recognized during the period.

Revenues and Cost Recognition—The Company provides contract services under time-and-material, cost-plus-fixed-fee, and fixed-price contracts. Revenue is recorded at the time services are completed or when products are shipped. For long-term contracts, revenues are recorded on the percentage-of-completion method. Revenues and gross profit are recognized as work is performed, primarily at the time deliveries are made or accepted, or based on the relationship between actual costs incurred and total estimated costs at completion. Revenues and gross profits are adjusted prospectively for revisions in estimated total contract costs and contract values. Estimated losses are recorded when identified.

Differences between recorded costs and estimated earnings and final billings are recognized in the period in which they become determinable. Costs and estimated earnings in excess of billings on uncompleted contracts are recorded as a current asset. Billings in excess of costs on uncompleted contracts are recorded as current liabilities. Generally, contracts provide for the billing of costs incurred and estimated earnings either periodically or based on certain milestones achieved. Additionally, unbilled receivables represents costs incurred that have been earned but not yet billed and collected from the customer. Billings are prepared in accordance with terms of the customer agreement.

Due to inherent limitations in the estimation process, including changes in job performance, job conditions, and estimated profitability, it is at least reasonably possible that, in the near term, the Company will revise its cost and profit estimates related to contracts in progress.

Income Taxes—A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Accounting for Uncertainty in Income Taxes* (FIN 48)**—In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the guidance for the recognition and measurement of income tax benefits related to uncertain tax positions in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 will be effective for the fiscal year beginning January 1, 2008. The Company is currently assessing the impact this interpretation will have on its consolidated financial statements.

Note 2—Business Acquisition

On August 22, 2007, the Company acquired substantially all of the assets and assumed certain liabilities of Gichner Systems Group, LLC and affiliates in a business combination accounted for using the purchase method of accounting. Gichner Systems Group designed, manufactured, and integrated tactical shelters and related products for military applications. The total purchase price was approximately $32 million, including related financing charges and fees. The purchase was funded primarily through senior and subordinated debt totaling approximately $20 million and equity contributions totaling approximately $12 million.

The following table summarizes the estimated fair market value of the assets acquired and liabilities assumed:

Accounts receivable	$ 4,225,955
Inventories	8,716,345
Other current assets	2,516,348
Property and equipment	17,870,235
Intangible assets	4,373,378
Other long-term assets	541,554
Goodwill	1,263,013
Accounts payable	(3,389,280)
Accrued and other liabilities	(3,922,869)
Net assets acquired	$ 32,194,679

All of the goodwill recognized in connection with the business acquisition is anticipated to be deductible for tax purposes.

Note 3—Inventory

Inventory at December 31, 2007 consists of the following:

Raw materials	$ 3,302,760
Work in progress	764,656
Finished goods	455,364
Total inventory	$ 4,522,780

Note 4—Contracts in Progress

Costs and estimated earnings on contracts in progress at December 31, 2007 are as follows:

Costs incurred on uncompleted contracts	$ 37,699,639
Estimated earnings	3,098,382
Total	40,798,021
Less billings to date	37,682,365
Net	$ 3,115,656
Balance sheet classification:	
Unbilled accounts receivable	$ 535,637
Costs in excess of billings	3,552,430
Billings in excess of costs	(972,411)
Net	$ 3,115,656

Note 5—Property and Equipment

Property and equipment at December 31, 2007 is summarized as follows:

	Amount	Depreciable Life—Years
Land	$ 1,875,000	—
Buildings	4,625,000	40
Machinery and equipment	9,659,793	7-10
Transportation equipment	25,030	5
Furniture and fixtures	677,858	3-5
Computer equipment and software	1,190,336	3-5
Leasehold improvements	8,176	5-20
Total cost	18,061,193	
Accumulated depreciation	542,604	
Net property and equipment	$ 17,518,589	

Depreciation expense was approximately $542,000 for the period ended December 31, 2007.

Note 6—Acquired Intangible Assets

Intangible assets of the Company at December 31, 2007 are summarized as follows:

	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:		
Technical library	$ 1,940,000	$ 69,355
Trademarks and tradenames	884,278	21,075
Customer relationships and customer-related intangibles	678,000	24,239
Process manuals	473,000	16,910
Noncompete agreements	398,100	28,464
Total	$ 4,373,378	$ 160,043

Amortization expense for intangible assets totaled approximately $160,000 for the period ended December 31, 2007. The intangible assets have an overall weighted average life of 10 years (10 years for the technical library, customer related intangibles, and process manuals, 15 years for the trademarks and tradenames, and five years for the noncompete agreements).

Estimated amortization for the intangible assets for each of the next five years ending December 31 are as follows:

2008	$ 447,672
2009	447,672
2010	447,672
2011	447,672
2012	419,208

Note 7—Operating Leases

The Company is obligated under operating leases primarily for office space and forklifts, expiring at various dates through April 2012. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2008	$ 183,012
2009	71,639
2010	70,059
2011	64,714
2012	1,972
Total	$ 391,396

Rent expense was $79,000 for the period ended December 31, 2007.

Note 8—Line of Credit and Long-term Debt

Debt at December 31, 2007 is as follows:

Term Loan A, payable to a bank beginning with monthly interest-only payments for the first six months followed by monthly principal installments ranging from $15,681 to $25,360, plus interest through July 25, 2014. The balance of the loan is due on August 22, 2014. Interest (6.85 percent at December 31, 2007) is at LIBOR plus a margin. The Company has entered into an agreement with a financial institution which provides for a cap on the LIBOR rate at 6.5 percent and a floor of 3.5 percent plus a margin (as defined in the agreement). The note is collateralized by a security interest in all assets of the Company	$ 5,250,000
Term Note B, payable to a bank beginning with monthly interest-only payments for the first six months followed by monthly principal installments ranging from $50,000 to $150,000, plus interest through July 25, 2014. The balance of the loan is due on August 22, 2014. Interest (7.85 percent at December 31, 2007) is at LIBOR plus a margin. In addition to the regularly scheduled payments as identified above, the Company is required to make annual payments of principal equal to 25 percent of the Company's excess cash flow, as defined, until the loan has been paid in full. The note is collateralized by a security interest in all assets of the Company	8,700,000

Subordinated notes payable to stockholders with a combined face value of $5,800,000. Principal is due in full on January 22, 2013. Interest accrues on the outstanding principal at a rate of 12 percent, plus additional interest of 5 percent ("PIK" interest). The Company has accrued approximately $107,000 of PIK interest which is due on January 22, 2013 and is included in other long-term liabilities. These notes are subordinated to the bank borrowings and are uncollateralized	5,800,000
Total	19,750,000
Less current portion	1,074,675
Long-term portion	$ 18,675,325

The balance of the above debt matures as follows and includes an additional payment in 2008 of $318,061 relating to the excess cash flow requirement.

2008	$ 1,074,675
2009	1,101,037
2010	1,317,853
2011	1,736,075
2012	1,855,822
Thereafter	12,664,538
Total	$ 19,750,000

The Company also has a line of credit facility with a bank that provides for $7,000,000, subject to availability as determined by a formula in the agreement, which expires in August 2012. Up to $5,000,000 of the facility is available for letters of credit. The facility is collateralized by a security interest in all assets of the Company and carries a fee on the unused portion. Interest (6.6 percent at December 31, 2007) is payable monthly. There was no outstanding balance on the line of credit as of December 31, 2007.

Under the agreements with the bank, the Company is subject to various financial covenants, including fixed charge coverage and leverage.

The Company has an outstanding, unused letter of credit from a bank in the amount of approximately $466,000 available and expiring on February 17, 2009 to guarantee fulfillment of a project with a foreign customer. The letter of credit is guaranteed by restricted cash that is required to be kept on hand at a bank.

Total interest expense for the period ended December 31, 2007 was approximately $775,000 and includes related party interest of $363,000.

The Company has entered into an interest rate swap agreement in connection with the Company's Term Loan A (as described above) which provides for a cap on the LIBOR at 6.5 percent and a floor of 3.5 percent plus a margin (as defined in the agreement). This interest rate swap is recognized in the accompanying consolidated balance sheet at fair value. Changes in the fair value of the interest rate swap are recognized in other income (expense). Realized gains and losses are recognized as a component of interest expense and net realized losses totaling approximately $56,000 for the period ended December 31, 2007 have been recognized.

Note 9—Retirement Plans

The Company sponsors a defined contribution 401(k) and profit-sharing plan. Eligible employees may defer up to 75 percent of their compensation, subject to the maximum amount allowable by the Internal Revenue Service. The Company makes a matching contribution and may make an additional profit-sharing contribution, both subject to limitations. The Company contributed approximately $76,000 for the period ended December 31, 2007 to the plan.

Note 10—Common and Preferred Stock

All common and preferred stock is subject to the terms of a security holders agreement, which contains certain covenants and restrictions on the ability to transfer shares. The security holders agreement contains provisions for elective purchases of shares by the Company or other stockholders under certain circumstances.

The Company has 239,131 shares of authorized voting common stock with a par value of $.01 per share. As of December 31, 2007, there were 113,125 shares issued and outstanding.

The Company has 10,869 shares of authorized Series A preferred stock with a par value of $.01 per share with an original issue price of $1,000 per share as of December 31, 2007. All 10,869 authorized shares were issued in connection with the business acquisition. Series A shares are senior in ranking to common shares with respect to rights to dividends, liquidation, winding up, and dissolution and are senior to all classes and series of stock of the Company issued in the future.

More specifically, the Series A preferred stockholders have the following rights: (1) cumulative dividends on each share of Series A preferred stock shall accrue at the rate of 11 percent per annum of the original issue price; such dividends shall not be paid in cash until September 30, 2008, (2) priority over the common stockholders in a liquidity event, as defined, and (3) more preferential voting rights.

At December 31, 2007, the amount of unpaid dividends on the 11 percent cumulative preferred stock was approximately $427,000.

Note 11—Contingencies

The Company is partially self-insured for employee medical and dental benefits. The Company has obtained various levels of stop-loss coverage related to this matter. At December 31, 2007, the Company has accrued $300,000 for known claims and estimated claims incurred but not reported.

An environmental investigation in a prior year disclosed the presence of potential contamination of the ground water, surface water, and/or soil at one of the Company's facilities. At December 31, 2007, the Company has accrued $300,000 for any potential obligation relating to this matter. In connection with the business acquisition, an escrow fund of the same amount has been established to indemnify the Company against this environmental contingency. Additionally, the Company is named as a potentially responsible party for disposing hazardous waste at incinerator sites in South Carolina and New York that have been assessed as being environmentally contaminated. In the opinion of management, these matters will not have a material adverse effect on the Company's financial position or results of operations.

In addition, in the normal course of business, the Company is subject to lawsuits and other legal matters. In the opinion of management, these matters will not have a material adverse effect on the Company's financial position or results of operations.

Note 12—Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows:

Current income tax expense	$ 260,200
Deferred income tax recovery	(7,400)
Total income tax expense	$ 252,800

The details of the deferred tax asset are as follows:

Total deferred tax liabilities	$ (371,000)
Total deferred tax assets	378,400
Net deferred tax asset	$ 7,400

Deferred tax liabilities result principally from accelerated methods of depreciation and the deduction of certain intangible assets for tax purposes using a shorter method than for book purposes. Deferred tax assets result from recognition of expenses for financial reporting purposes that are not deductible for tax purposes until paid. Realization of a major portion of the deferred tax assets is dependent upon generating sufficient taxable income.

Note 13—Related Party Transactions

The Company incurred approximately $137,000 of management fees to certain common and preferred stockholders for the period ended December 31, 2007. Additionally, the Company incurred approximately $164,000 of legal fees to a certain common and preferred stockholder for the period ended December 31, 2007.

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To the Board of Directors and Stockholders
Gichner Holdings, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Gichner Holdings, Inc. and Subsidiaries as of December 31, 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the period from August 22, 2007 (post acquisition) through December 31, 2007. Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating balance sheet and statement of operations are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and are not a required part of the basic consolidated financial statements. The consolidating information has been subjected to the procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

/s/ Plante & Moran, PLLC

April 4, 2008

Gichner Holdings, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2007

	Gichner Holdings, Inc.	Gichner Systems Group, Inc.	Gichner Systems International, Inc.	Dallastown Realty I, LLC	Eliminations	Total
Assets						
Current Assets						
Cash and cash equivalents	$ —	$ 459,370	$ 38,340	$ —	$ —	$ 497,710
Accounts receivable:						
Trade	—	5,575,301	634,609	—	—	6,209,910
Unbilled	—	535,637	—	—	—	535,637
Inventories	—	4,477,876	44,904	—	—	4,522,780
Costs and estimated earnings in excess of billings	—	3,552,430	—	—	—	3,552,430
Intercompany receivable	—	216,068	—	307,402	(523,470)	—
Prepaid expenses and other current assets:						
Prepaid expenses	—	702,437	685,557	—	—	1,387,994
Deferred tax recovery	—	378,400	—	—	—	378,400
Total current assets	—	15,897,519	1,403,410	307,402	(523,470)	17,084,861
Property and Equipment—Net	—	11,010,990	49,516	6,458,083	—	17,518,589
Goodwill	—	1,263,013	—	—	—	1,263,013
Intangible Assets	—	4,213,335	—	—	—	4,213,335
Investment in Subsidiary	12,522,673	—	—	—	(12,522,673)	—
Other Assets						
Restricted cash	—	768,889	—	—	—	768,889
Deferred financing costs	—	506,353	—	—	—	506,353
Total other assets	—	1,275,242	—	—	—	1,275,242
Total assets	**$ 12,522,673**	**$ 33,660,099**	**$ 1,452,926**	**$ 6,765,485**	**$ (13,046,143)**	**$ 41,355,040**
Liabilities and Stockholders' Equity						
Current Liabilities						
Trade accounts payable	$ —	$ 3,291,538	$ 4,000	$ —	$ —	$ 3,295,538
Current portion of long-term debt	—	1,074,675	—	—	—	1,074,675
Intercompany payable	—	307,402	216,068	—	(523,470)	—
Billings in excess of costs and estimated earnings	—	972,411	—	—	—	972,411
Accrued and other current liabilities	—	3,818,617	108,795	15,000	—	3,942,412
Total current liabilities	—	9,464,643	328,863	15,000	(523,470)	9,285,036
Long-term Debt—Net of current portion	—	18,675,325	—	—	—	18,675,325
Other Long-term Liabilities						
Deferred tax liabilities	—	371,000	—	—	—	371,000
Other long-term liabilities	—	501,006	—	—	—	501,006
Total liabilities	—	29,011,974	328,863	15,000	(523,470)	28,832,367
Stockholders' Equity	12,522,673	4,648,125	1,124,063	6,750,485	(12,522,673)	12,522,673
Total liabilities and stockholders' equity	**$ 12,522,673**	**$ 33,660,099**	**$ 1,452,926**	**$ 6,765,485**	**$ (13,046,143)**	**$ 41,355,040**

Gichner Holdings, Inc. and Subsidiaries
Consolidating Statement of Operations
Period From August 22, 2007 (post acquisition) through December 31, 2007

	Gichner Holdings, Inc.	Gichner Systems Group, Inc.	Gichner Systems International, Inc.	Dallastown Realty I, LLC	Eliminations	Total
Sales	$ —	$ 20,281,980	$ —	$ 307,402	$ (307,402)	$ 20,281,980
Cost of Sales	—	16,549,439	—	—	(294,890)	16,254,549
Gross Profit	—	3,732,541	—	307,402	(12,512)	4,027,431
Operating Expenses	—	2,140,944	236,564	41,917	(12,512)	2,406,913
Operating Income (Loss)	—	1,591,597	(236,564)	265,485	—	1,620,518
Nonoperating Income (Expenses)						
Interest income	—	18,067	—	—	—	18,067
Interest expense	—	(830,835)	—	—	—	(830,835)
Management fees	—	(137,601)	—	—	—	(137,601)
Earnings from consolidated subsidiaries	406,709	—	—	—	(406,709)	—
Other expense	—	(13,315)	2,675	—	—	(10,640)
Total nonoperating income (expenses)	406,709	(963,684)	2,675	—	(406,709)	(961,009)
Income (Loss)—Before income taxes	406,709	627,913	(233,889)	265,485	(406,709)	659,509
Income Tax Expense (Benefit)	—	333,182	(95,382)	15,000	—	252,800
Net Income (Loss)	**$ 406,709**	**$ 294,731**	**$ (138,507)**	**$ 250,485**	**$ (406,709)**	**$ 406,709**

Independent Auditor's Report

To the Board of Directors
Gichner Systems Group, LLC and Related Entities

We have audited the accompanying combined balance sheet of Gichner Systems Group, LLC and Related Entities (the "Company") as of August 22, 2007 and the related combined statements of operations, changes in equity, and cash flows for the period from January 1, 2007 through August 22, 2007. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Gichner Systems Group, LLC and Related Entities at August 22, 2007 and the combined results of their operations and their cash flows for the period from January 1, 2007 through August 22, 2007 in conformity with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC

April 26, 2010

Gichner Systems Group, LLC and Related Entities
Combined Balance Sheet
August 22, 2007

Assets	
Current Assets	
Cash and cash equivalents	$ 1,315,198
Accounts receivable:	
Trade	3,465,194
Unbilled (Note 3)	760,761
Inventory (Note 2)	4,737,620
Costs and estimated earnings in excess of billings (Note 3)	4,387,875
Prepaid expenses and other current assets	651,360
Total current assets	15,318,008
Property and Equipment—Net (Note 4)	9,987,634
Goodwill	9,495,384
Intangible Assets (Note 5)	902,125
Total assets	**$ 35,703,151**
Liabilities and Equity	
Current Liabilities	
Trade accounts payable	$ 3,389,279
Billings in excess of costs (Note 3)	801,299
Accrued and other current liabilities (Notes 8 and 9)	3,474,796
Total current liabilities	7,665,374
Other Long-term Liabilities	82,798
Total Equity (Note 11)	27,954,979
Total liabilities and equity	**$ 35,703,151**

See Notes to Combined Financial Statements.

Gichner Systems Group, LLC and Related Entities
Combined Statement of Operations
Period from January 1, 2007 through August 22, 2007

Net Sales	$ 28,350,280
Cost of Sales	23,464,225
Gross Profit	4,886,055
Operating Expenses	
Selling, general, and administrative	4,387,821
Impairment—Goodwill	8,000,000
Total operating expenses	12,387,821
Operating Loss	(7,501,766)
Interest Expense	(268,056)
Net Loss	**$ (7,769,822)**

See Notes to Combined Financial Statements.

Gichner Systems Group, LLC and Related Entities
Combined Statement of Changes in Equity
Period from January 1, 2007 through August 22, 2007

	Gichner Europe France, s.a.r.l.			Gichner Europe, Ltd.			Gichner Systems Group, LLC	Dallastown Realty II, LLC	
	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Members' Interest	Members' Interest	Total
Balance—January 1, 2007	$ 10,109	$ —	$ (722,932)	$ 1,600	$ 398,400	$ (599,214)	$ 32,383,578	$ (743,273)	$ 30,728,268
Net loss	—	—	(527,200)	—	—	(1,249,938)	(5,144,364)	(848,320)	(7,769,822)
Conversion of related party debt to equity (Note 12)	—	1,300,071	—	—	2,021,272	—	(4,341,111)	6,016,301	4,996,533
Balance—August 22, 2007	**$ 10,109**	**$ 1,300,071**	**$ (1,250,132)**	**$ 1,600**	**$ 2,419,672**	**$ (1,849,152)**	**$ 22,898,103**	**$ 4,424,708**	**$ 27,954,979**

See Notes to Combined Financial Statements.

Gichner Systems Group, LLC and Related Entities
Combined Statement of Cash Flows
Period from January 1, 2007 through August 22, 2007

Cash Flows from Operating Activities	
Net loss	$ (7,769,822)
Adjustments to reconcile net loss to net cash from operating activities:	
Depreciation	513,126
Amortization of intangible assets	91,166
Impairment of goodwill	8,000,000
Loss on sale of property and equipment	6,391
Changes in operating assets and liabilities which provided (used) cash:	
Accounts receivable	494,857
Unbilled accounts receivable	(126,152)
Inventory	2,647,840
Costs and estimated earnings in excess of billings	(4,315,566)
Prepaid expenses and other assets	1,137,611
Accounts payable	1,672,777
Billings in excess of costs	(1,155,792)
Accrued and other liabilities	207,234
Net cash provided by operating activities	1,403,670
Cash Flows from Investing Activities—Purchase of property and equipment	(1,196,006)
Net Increase in Cash and Cash Equivalents	207,664
Cash and Cash Equivalents—Beginning of period	1,107,534
Cash and Cash Equivalents—End of period	**$ 1,315,198**
Supplemental Cash Flow Information—Significant noncash financing transactions—Conversion of related party debt to equity	**$ 4,996,533**

See Notes to Combined Financial Statements.

Note 1—Nature of Business and Significant Accounting Policies

Gichner Systems Group, LLC and Related Entities (collectively, the "Company") design, manufacture, and integrate tactical shelters and intermodal equipment for military and commercial applications. The Company operates primarily in Dallastown, Pennsylvania.

Principles of Combination—The accompanying combined financial statements include the accounts of the following entities, all of which are under common ownership: Gichner Systems Group, LLC, Gichner Europe France, s.a.r.l., Gichner Europe, Ltd., and Dallastown Realty II, LLC. All material intercompany accounts and transactions have been eliminated in combination.

Gichner Systems Group, LLC is a wholly owned subsidiary of Vidalia Gichner Holdings, Inc. Gichner Europe France, s.a.r.l. and Gichner Europe, Ltd. are wholly owned subsidiaries of Gichner Systems Group, LLC. Dallastown Realty II, LLC is a wholly owned subsidiary of Dallastown Realty I, LLC.

Reporting Period—On August 22, 2007, substanially all assets and liabilities of the Company were sold to an unrelated third party. The accompanying combined statements of operations, changes in equity, and cash flows present the activities of the Company for the period beginning January 1, 2007 through the date of sale.

Cash and Cash Equivalents—The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Trade Accounts Receivable—Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance for doubtful accounts as of August 22, 2007 was $15,000.

Major Customers—Sales are predominantly to various agencies and military branches of the United States government and to government contractors. The Company extends trade credit to its customers on terms that are generally practiced in the industry. Three major customers, one of which is the United States government, accounted for approximately 55 percent of sales during the period. These same customers accounted for approximately 75 percent of accounts receivable at August 22, 2007.

Inventory—Inventory is stated at the lower of cost or market using the average cost method of inventory costing. For certain contracts, progress billings to customers are recorded as a contra inventory when paid.

Property and Equipment—Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill—The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis for impairment. The annual goodwill impairment test on April 1, 2007 did not result in a goodwill impairment charge. Goodwill was tested for impairment again in June 2007 based on the parent company's commitment to sell the Company. This subsequent impairment test resulted in an $8 million impairment loss. Fair value was estimated based on the negotiated sales price.

Intangible Assets—Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

Warranties—The Company records a liability for estimated costs to be incurred under its limited warranty policy when revenue is recognized. The warranty reserve is estimated based upon number of units sold and the Company's historical and anticipated rates of claims.

Revenue and Cost Recognition—The Company provides contract services under time-and-material, cost-plus-fixed-fee, and fixed-price contracts relating to the manufacture of products. Revenue is recorded at the time services are completed or when products are shipped. For long-term contracts, revenues are recorded on the percentage-of-completion method. Revenues and gross profit are recognized as work is performed, primarily at the time deliveries are made or accepted, or based on the relationship between actual costs incurred and total estimated costs at completion. Revenues and gross profits are adjusted prospectively for revisions in estimated total contract costs and contract values. Estimated losses are recorded when identified.

Differences between recorded costs and estimated earnings and final billings are recognized in the period in which they become determinable. Costs and estimated earnings in excess of billings on uncompleted contracts are recorded as a current asset. Billings in excess of costs on uncompleted contracts are recorded as current liabilities. Generally, contracts provide for the billing of costs incurred and estimated earnings either periodically or based on certain milestones achieved. Additionally, unbilled receivables represent costs incurred that have been earned but not yet billed and collected from the customer. Billings are prepared in accordance with terms of the customer agreement.

Due to inherent limitations in the estimation process, including changes in job performance, job conditions, and estimated profitability, it is at least reasonably possible that, in the near term, the Company will revise its cost and profit estimates related to contracts in progress.

Income Taxes—Income taxes have been provided for Gichner Europe France, s.a.r.l. and Gichner Europe, Ltd. A current tax or asset is recognized for the estimated taxes payable or refundable on tax returns for each year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. The provision for income taxes was not significant in 2007.

Gichner Systems Group, LLC and Dallastown Realty II, LLC are taxed as partnerships and, as such, and are not subject to U.S. federal income taxes. Instead, the members are responsible for individual federal taxes on their respective shares of taxable income.

Fair Value of Financial Instruments—Financial instruments consist of cash equivalents, accounts receivable, accounts payable, and debt. The carrying amount of all significant financial instruments approximates fair value due to either the short maturity or the existence of variable interest rates that approximate prevailing market rates.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events—The combined financial statements and related disclosures include evaluation of events up through and including April 26, 2010, which is the date the combined financial statements were available to be issued.

Note 2—Inventory

Inventory at August 22, 2007 consists of the following:

Raw materials	$ 3,578,388
Work in progress	680,603
Finished goods	478,629
Total inventory	$ 4,737,620

Note 3—Contracts in Progress

Costs and estimated earnings on contracts in progress at August 22, 2007 are as follows:

Costs incurred on uncompleted contracts	$ 14,319,533
Estimated earnings	1,152,638
Total	15,472,171
Less billings to date	11,124,834
Net	$ 4,347,337
Combined balance sheet classification:	
Unbilled accounts receivable	$ 760,761
Costs and estimated earnings in excess of billings	4,387,875
Billings in excess of costs	(801,299)
Net	$ 4,347,337

Note 4—Property and Equipment

Property and equipment at August 22, 2007 are summarized as follows:

	Amount	Depreciable Life—Years
Land	$ 470,000	—
Buildings	4,730,000	40
Machinery and equipment	18,713,330	5-10
Furniture and fixtures	2,085,230	3-5
Other	15,538	5-20
Total cost	26,014,098	
Accumulated depreciation	16,026,464	
Net property and equipment	$ 9,987,634	

Depreciation expense was approximately $513,000 for the period ending August 22, 2007.

Note 5—Acquired Intangible Assets

Intangible assets consist solely of a technical library with a gross carrying amount of $5,061,700 and accumulated amortization of $4,159,575.

Amortization expense related to the technical library was approximately $91,000 for the period ended August 22, 2007. Annual amortization will be approximately $142,000 for each of the next five years. The technical library is being amortized over a period of 15 years.

Note 6—Operating Leases

The Company is obligated under operating leases primarily for office space and forklifts expiring at various dates through November 2011. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

Future minimum annual commitments under these operating leases are as follows:

Periods Ending August 22	Amount
2008	$ 171,706
2009	79,862
2010	62,268
2011	72,646
Total	$ 386,482

Rent expense was approximately $64,000 for the period ended August 22, 2007.

Note 7—Retirement Plans

The Company sponsors a defined contribution 401(k) and profit-sharing plan. Eligible employees may defer up to 75 percent of their compensation, subject to the maximum amount allowable by the Internal Revenue Service. The Company makes a matching contribution and may make an additional profit-sharing contribution, both subject to limitations. The Company contributed approximately $153,000 for the period ended August 22, 2007.

Note 8—Health Insurance

The Company is partially self-insured for employee medical and dental benefits. The Company has obtained various levels of stop-loss coverage related to this matter. At August 22, 2007, the Company has accrued $300,000 for known claims and estimated claims incurred but not reported.

Note 9—Warranties

The Company provides unconditional repair or replacement warranties on its products. The Company recognizes warranty obligations at the time products are sold based on historical rates of warranty claims and estimated current costs of repair or replacement. Following is a reconciliation of the Company's aggregate warranty obligation for the period ended August 22, 2007:

Balance—January 1, 2007	$ 200,000
Warranty claims	(47,830)
Warranty obligations recognized	47,830
Balance—August 22, 2007	$ 200,000

Note 10—Legal Matters

In the normal course of business, the Company is subject to lawsuits, environmental claims, and other legal matters. In the opinion of management, these matters will not have a material adverse effect on the Company's combined financial position or results of operations.

Note 11—Common Stock

Common stock consists of 7,500 authorized shares of one euro par value stock for Gichner Europe France, s.a.r.l. and 1,000 shares authorized of one pound par value stock for Gichner Europe, Ltd. As of August 22, 2007, all shares were issued and outstanding.

Note 12—Related Party Transactions

In anticipation of the sale of the Company's operations on August 22, 2007 (see Note 1), the Company's parent repaid $4,000,000 of mortgage obligations on its behalf in exchange for a note payable. This note payable was subsequently forgiven and reported as additional paid-in capital. In addition, approximately $997,000 of intercompany balances were converted to additional paid-in capital.

The Company has a revolving line of credit with an entity related through common ownership, which allows for borrowings up to $2,500,000 and is due on demand. The interest is payable quarterly based on the prime rate. The line of credit is collateralized by substantially all assets of the Company. There was no balance outstanding at August 22, 2007.

Gichner Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet

	March 31, 2010	December 31, 2009
Assets		
Current Assets		
Cash and cash equivalents	$ 2,518,034	$ 5,907,114
Accounts receivable	25,463,748	24,769,152
Inventories	17,154,960	19,640,984
Prepaid expenses and other current assets		
Prepaid expenses and other current assets	3,322,075	3,631,937
Deferred tax assets	1,874,000	1,374,000
Total current assets	50,332,817	55,323,187
Property and Equipment—Net	17,174,114	16,969,588
Goodwill	1,263,013	1,263,013
Intangible Assets	3,206,073	3,317,991
Other Assets	759,175	843,485
Total assets	**$ 72,735,192**	**$ 77,717,264**
Liabilities and Stockholders Equity		
Current Liabilities		
Trade accounts payable	$ 12,703,598	$ 16,167,554
Current portion of long-term debt	2,769,230	2,614,853
Billings in excess of costs and estimated earnings	5,488,230	6,272,916
Other accrued liabilities	10,469,544	8,240,373
Total current liabilities	31,430,602	33,295,696
Long-term Debt—Net of current portion	11,829,843	14,623,889
Other Long-term Liabilities		
Deferred tax liabilities	1,129,000	1,290,000
Other long-term liabilities	1,049,322	1,370,925
Stockholders' Equity	27,296,425	27,136,754
Total liabilties and stockholders' equity	**$ 72,735,192**	**$ 77,717,264**

Gichner Holdings, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations

	Three-month Period Ended	
	March 31, 2010	March 31, 2009
Net Sales	$ 49,855,480	$ 30,201,248
Cost of Sales	41,025,166	24,272,333
Gross Profit	8,830,314	5,928,915
Operating Expenses	3,738,313	2,620,860
Operating Income	5,092,001	3,308,055
Nonoperating Income (Expenses)		
Interest income	8,330	4,310
Interest expense	(426,394)	(417,921)
Other expense—Net	(127,109)	(96,827)
Total nonoperating expenses	(545,173)	(510,438)
Income	4,546,828	2,797,617
Income Tax Expense	1,546,000	850,000
Net Income	**$ 3,000,828**	**$ 1,947,617**

Gichner Holdings, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows

	Three-month Period Ended	
	March 31, 2010	March 31, 2009
Cash Flows from Operating Activities		
Net income	$ 3,000,828	$ 1,947,617
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	480,000	435,000
Amortization of intangible assets	111,918	111,918
Amortization of deferred financing costs	24,616	24,616
Loss on sale of property and equipment	3,000	2,000
Deferred income taxes	(661,000)	—
Changes in operating assets and liabilities which provided (used) provided cash:		
Accounts Receivable	(63,225)	(3,551,773)
Unbilled Accounts Receivable	(12,426)	58,843
Inventory	2,486,024	(1,462,739)
Costs and estimated earnings in excess of billings	(618,945)	(1,548,628)
Prepaid expenses and other assets	309,862	321,401
Accounts payable	(3,463,956)	1,147,186
Billings in excess of costs and estimated earnings	(784,686)	3,855,147
Accrued and other liabilities	1,907,568	1,223,071
Net cash provided by operating activities	2,719,578	2,563,659
Cash Flows from Investing Activities		
Purchase of property and equipment	(687,526)	(205,375)
Change in restricted cash related to letter of credit	59,694	8,855
Net cash used in investing activities	(627,832)	(196,520)
Cash Flows from Financing Activities		
Payments on long-term debt	(2,639,669)	(273,294)
Dividends paid on Series B convertible preferred stock	(441,157)	—
Purchase of Series B convertible preferred stock	(2,400,000)	—
Net cash used in financing activities	(5,480,826)	(273,294)
Net (Decrease) Increase in Cash and Cash Equivalents	(3,389,080)	2,093,845
Cash and Cash Equivalents—Beginning of period	5,907,114	2,662,025
Cash and Cash Equivalents—End of period	**$ 2,518,034**	**$ 4,755,870**

Note 1. Basis of Presentation

The information as of and for the three months ended March 31, 2009 and March 31, 2010 is unaudited. In the opinion of management, these unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods presented. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company's audited annual consolidated financial statements for the year ended December 31, 2009 included elsewhere is this offering memorandum.

Note 2. Stockholders' Equity

A summary of the changes in Stockholders' Equity for the periods ended March 31, 2009 and 2010 is provided below (in millions):

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2010
Stockholders' equity at beginning of period	$ 20.1	$ 27.1
Stock-based compensation	—	
Redemption of 240,000 Series B convertible preferred stock	—	(2.4)
ESPP Plan and RSU settlement in cash	—	—
Exercise of stock options/warrants	—	—
Preferred dividends	—	(0.4)
Net income (loss)	2.0	3.0
Stockholders' equity at end of period	$ 22.1	$ 27.3

The Company has three classes of outstanding stock, Preferred Stock Series A Preferred Stock Series B, and common stock. As of March 31, 2010 there were 10,869 shares of Series A Preferred Stock outstanding, 240,000 of Series B Preferred Stock, and 1,003,131 shares of common stock.

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Exhibit 99.2

Unaudited Pro Forma Combined Financial Information of Kratos

On May 19, 2010, Kratos Defense & Security Solutions, Inc. ("Kratos") completed its acquisition of Gichner Holdings, Inc. ("Gichner") pursuant to a Stock Purchase Agreement, dated as of April 12, 2010, by and between Kratos and the stockholders of Gichner. As a result of the acquisition, Gichner became a wholly-owned subsidiary of Kratos. The purchase price was $133 million in cash, subject to certain working capital and other adjustments as of the closing date. The following unaudited pro forma combined financial information was prepared using the historical consolidated financial statements of Kratos and Gichner.

The pro forma adjustments related to the Acquisition are preliminary and do not reflect the final purchase price or final allocation of the excess of the purchase price over the fair value of the assets and liabilities of Gichner, as the process to assign a fair value to the various tangible and intangible assets acquired and liabilities assumed has only just commenced. Kratos has not had sufficient time to completely evaluate the significant identifiable assets and liabilities assumed of Gichner. Accordingly, the pro forma adjustments, including the allocations of purchase price, are preliminary and have been made solely for the purpose of providing unaudited pro forma consolidated financial information. Final adjustments will result in modifications to the final purchase price and allocation of the purchase price, which will affect the fair value assigned to the tangible and intangible assets and amount of depreciation and amortization expense, and other assets and liabilities recorded in the statement of operations. The effect of the changes to the pro forma statement of operations could be material. The unaudited pro forma financial information is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the dates or periods indicated, nor is it necessarily indicative of the results of operations or financial position that may occur in the future.

The historical consolidated financial information has been adjusted in the unaudited pro forma combined financial information to give effect to pro forma events that are (1) directly attributable to the acquisition, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on the combined results. The pro forma information does not reflect revenue opportunities and cost savings that we expect to realize after the acquisition of Gichner. The pro forma financial information also does not reflect expenses related to integration activity or exit costs that may be incurred by Kratos or Gichner in connection with this acquisition.

The unaudited pro forma combined balance sheet assumes that the acquisition of Gichner took place on March 28, 2010 and combines Kratos' unaudited consolidated balance sheet as of March 28, 2010 with Gichner's unaudited consolidated balance sheet as of March 31, 2010. The unaudited pro forma combined statement of operations for the three months ended March 28, 2010 and the year ended December 27, 2009, assumes that the acquisition of Gichner took place on December 29, 2008 and combines Kratos' audited consolidated statement of operations for the fiscal year ended December 27, 2009 with Gichner's audited consolidated statement of operations for the fiscal year ended December 31, 2009 and combines Kratos' unaudited consolidated statement of operations for the three months ended March 28, 2010 with Gichner's unaudited consolidated statement of operations for the three months ended March 31, 2010.

Kratos Defense & Security Solutions, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
(in millions, except par value and number of shares)

	Kratos Historical March 28, 2010	Gichner Historical March 31, 2010	Preliminary Pro Forma Adjustments*		Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 6.3	$ 2.5	$ 28.5	(A)	$ 37.3
Restricted cash	0.4	—	—		0.4
Accounts receivable, net	93.6	25.5	—		119.1
Income taxes receivable	0.7	0.9	—		1.6
Prepaid expenses	6.1	2.4	—		8.5
Inventory	2.3	17.1	—		19.4
Other current assets	4.1	1.9	(0.3)	(B)(I)	5.7
Total current assets	113.5	50.3	28.2		192.0
Property and equipment, net	4.0	17.2	—		21.2
Goodwill	110.2	1.3	65.0	(C)	176.5
Intangibles, net	25.2	3.2	33.4	(D)	61.8
Other assets	3.0	0.7	4.8	(B)(I)	8.5
Total assets	$ 255.9	$ 72.7	$ 131.4		$ 460.0
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 19.2	$ 12.7	$ —		$ 31.9
Accrued expenses	8.4	4.4	—		12.8
Accrued compensation	18.6	3.6	—		22.2
Billings in excess of costs and earnings on uncompleted contracts	19.6	5.4	—		25.0
Current portion of long-term debt	6.2	2.8	(8.0)	(E)	1.0
Other current liabilities	6.0	2.5	(0.5)	(I)	8.0
Total current liabilities	78.0	31.4	(8.5)		100.9
Long-term debt, net of current portion	48.3	11.8	164.9	(F)	225.0
Other long-term liabilities	3.4	2.2	0.9	(I)	6.5
Total liabilities	129.7	45.4	157.3		332.4
Commitments and contingencies					
Stockholders' equity:					
Preferred stock, 5,000,000 shares authorized Series B Convertible Preferred Stock, $.001 par value, 10,000 shares outstanding at March 28, 2010 (liquidation preference $5.0 million at March 28, 2010)	—	—	—		—
Common stock, $.001 par value, 195,000,000 shares authorized; 15,887,820 shares issued and outstanding at March 28, 2010	—	—	—		—
Additional paid-in capital	524.1	14.1	(14.1)	(G)	524.1
Retained earnings and accumulated deficit	(397.9)	13.2	(11.8)	(H)	(396.5)
Total stockholders' equity	126.2	27.3	(25.9)		127.6
Total liabilities and stockholders' equity	$ 255.9	$ 72.7	$ 131.4		$ 460.0

* See Note 6 for an explanation of the preliminary pro forma adjustments.

See accompanying notes to unaudited pro forma combined financial information

Kratos Defense & Security Solutions, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
(in millions, except per share data)

	Kratos Historical Three Months Ended March 28, 2010	Gichner Historical Three Months Ended March 31, 2010	Preliminary Pro Forma Adjustments*		Pro Forma Combined
Revenues	$ 68.7	$ 49.9	$ —		$ 118.6
Cost of revenues	52.2	41.1	—		93.3
Gross profit	16.5	8.8	—		25.3
Selling, general and administrative expenses	12.3	3.7	1.2	(A)	17.2
Research and development expenses	0.6	—	—		0.6
Operating loss from continuing operations	3.6	5.1	(1.2)		7.5
Other expense:					
Interest expense, net	(3.9)	(0.4)	(2.1)	(B)	(6.4)
Other income, net	0.2	(0.1)	—		0.1
Total other expense, net	(3.7)	(0.5)	(2.1)		(6.3)
Income (loss) from continuing operations before income taxes	(0.1)	4.6	(3.3)		1.2
Provision for income taxes from continuing operations	0.3	1.6	(1.1)	(C)	0.8
Income (loss) from continuing operations	$ (0.4)	$ 3.0	$ (2.2)		$ 0.4
Basic loss per common share:					
Loss from continuing operations	$ (0.02)				$ 0.03
Diluted loss per common share:					
Loss from continuing operations	$ (0.02)				$ 0.03
Weighted average common shares outstanding:					
Basic	15.9				15.9
Diluted	15.9				15.9

* See Note 7 for an explanation of the preliminary pro forma adjustments.

See accompanying notes to unaudited pro forma combined financial information

Kratos Defense & Security Solutions, Inc.
Unaudited Pro Forma Combined Statement of Operations
(in millions, except per share data)

	Kratos Historical Fiscal Year Ended December 27, 2009	Gichner Historical Fiscal Year Ended December 31, 2009	Preliminary Pro Forma Adjustments*		Pro Forma Combined
Revenues	$ 334.5	$ 147.1	$ —		$ 481.6
Cost of revenues	265.2	122.4	—		387.6
Gross profit	69.3	24.7	—		94.0
Selling, general and administrative	52.8	12.6	4.9	(A)	70.3
Research and development expenses	1.8	—	—		1.8
Recovery of unauthorized issuance of stock options, stock option investigation and related fees, and litigation settlement	(0.2)	—	—		(0.2)
Impairment of goodwill	41.3	—	—		41.3
Impairments and adjustments to the liability for unused office space	0.6	—	—		0.6
Operating income (loss) from continuing operations	(27.0)	12.1	(4.9)		(19.8)
Other expense:					
Interest expense, net	(10.4)	(1.5)	(13.4)	(B)	(25.3)
Other income, net	0.1	—	—		0.1
Total other expense, net	(10.3)	(1.5)	(13.4)		(25.2)
Income (loss) from continuing operations before income taxes	(37.3)	10.6	(18.3)		(45.0)
Provision for income taxes from continuing operations	1.0	5.1	(4.1)	(C)	2.0
Income (loss) from continuing operations before extraordinary gain	$ (38.3)	$ 5.5	$ (14.2)		$ (47.0)
Basic loss per common share:					
Loss from continuing operations	$ (2.76)				$ (3.38)
Diluted loss per common share:					
Loss from continuing operations	$ (2.76)				$ (3.38)
Weighted average common shares					
Basic	13.9				13.9
Diluted	13.9				13.9

* See Note 7 for an explanation of the preliminary pro forma adjustments.

See accompanying notes to unaudited pro forma combined financial information

Kratos Defense & Security Solutions, Inc.
Notes to Unaudited Pro Forma Combined Financial Information

1. Description of Transaction

On April 12, 2010, Kratos entered into a Stock Purchase Agreement, which provides for the acquisition of Gichner, with the stockholders of Gichner. Gichner is a leading design, engineering, manufacturer and integrator of tactical and other shelters, products, solutions, modular containers, subsystems and support equipment for the U.S. military, its allies, and leading defense prime contractors. With the closing of the transaction on May 19, 2010, Kratos owns all of the issued and outstanding capital stock of Gichner, and Gichner is a direct subsidiary of Kratos.

On May 19, 2010 Kratos initiated the following transactions:

- Closed a private offering of $225 million in aggregate principal amount of 10% Senior Secured Notes due 2017;
- Paid cash consideration of $133.0 million, subject to adjustment as described below;
- Repaid the indebtedness of Gichner from the cash consideration of $133.0 million, which was $12.1 million (net of Gichner's cash) at March 31, 2010; and
- Repaid Kratos' existing credit facility;
- Entered into a New Revolving Credit Facility.

The purchase price will be increased (or decreased) on a dollar-for-dollar basis to the extent that Gichner's working capital at closing is greater than $17.5 million or less than $17.1 million.

Kratos agreed to enter into an escrow agreement which will specify the respective rights and obligations of the parties with respect to the escrow property, which will consist of $8.1 million in cash. Under the terms of the escrow agreement, the escrow property may be disbursed (i) if a purchase price adjustment is required to be paid pursuant to the terms of the Stock Purchase Agreement to Kratos, or (ii) pursuant to certain indemnification obligations of the Gichner Stockholders under the terms of the Stock Purchase Agreement. The escrow agreement will also set forth the process by which the parties may dispute the disbursement of any of the escrow property.

New Revolving Credit Facility

On May 19, 2010, Kratos entered into a 4-year, $25.0 million New Revolving Credit Facility, which is secured by a first priority lien on the combined entity's accounts receivables and inventory.

2. Basis of Presentation

The unaudited pro forma combined financial information is based on the historical financial statements of Kratos and Gichner and prepared and presented pursuant to the regulations of the SEC regarding pro forma financial information. The 2009 unaudited pro forma combined financial information includes Gichner's audited consolidated statement of operations for the fiscal year ended December 31, 2009 and the Kratos audited consolidated statement of operations for the fiscal year ended December 27, 2009. The 2010 unaudited pro forma combined financial information includes Gichner's unaudited consolidated balance sheet as of March 31, 2010, unaudited consolidated statement of operations for the three months ended March 31, 2010, the Kratos unaudited consolidated balance sheet as of March 28, 2010 and the Kratos' unaudited consolidated statement of operations for the three months ended March 28, 2010.

The pro forma adjustments include the application of the acquisition method under Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 805 Business Combinations (ASC Topic 805). ASC Topic 805 requires, among other things, that identifiable assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date, which is presumed to be the closing date of the Acquisition.

Under ASC Topic 820 Fair Value Measurements and Disclosures (ASC Topic 820), "fair value" is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be unrelated buyers and sellers in the principal or the most advantageous market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Total acquisition-related transaction costs incurred by Kratos are approximately $10.0 million, which includes $9.0 million of costs associated with the issuance of debt. Under ASC Topic 805, acquisition-related transaction costs (such as advisory, legal, valuation and other professional fees) are not included as components of consideration transferred but are accounted for as expenses in the periods in which the costs are incurred. The unaudited pro forma combined balance sheet reflects the estimated acquisition-related transaction costs incurred by Kratos of $1.0 million and assumed to be paid in connection with the closing of the Acquisition. Costs associated with debt issuance will be amortized over the life of the underlying debt instruments.

The historical consolidated financial information has been adjusted in the unaudited pro forma combined financial information to give effect to pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on the combined results. The pro forma financial information does not reflect revenue opportunities and cost savings that we expect to realize after the Acquisition. No assurance can be given with respect to the estimated revenue opportunities and operating cost savings that are expected to be realized as a result of the Acquisition. The pro forma financial information also does not reflect non-recurring charges related to integration activity or exit costs that may be incurred by Kratos or Gichner in connection with the Acquisition. Certain Gichner amounts have been reclassified to conform to Kratos' presentation. These reclassifications had no effect on previously reported net income. There were no material transactions between Kratos and Gichner during the periods presented in the unaudited pro forma combined financial information that would need to be eliminated.

3. Accounting Policies

Kratos will perform a detailed review of Gichner's accounting policies and procedures. As a result of that review, Kratos may identify differences between the accounting policies and procedures of the two companies that, when conformed, may have a material impact on future operating results. Any differences from unifying the accounting policies of the combined companies cannot be reasonably estimated at this time so no adjustments to pro forma combined financial information have been made.

4. Consideration Transferred and Purchase Price Allocation

The initial consideration transferred and the aggregate purchase price to be allocated is presented in the table below (in millions).

Cash payable as merger consideration	$ 133.0
Working capital adjustment as of March 28, 2010	—
Estimate of acquisition consideration(a)	$ 133.0

(a) Kratos funded the cash payment and working capital adjustment, which includes the repayment of Gichner existing indebtedness of $14.6 million and refinanced the indebtedness of Kratos with the issuance of the notes.

5. Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a discussion of the adjustments made in connection with the preparation of the unaudited pro forma combined financial information. Each of these adjustments represents preliminary estimates of the fair values of Gichner's assets and liabilities and periodic amortization of such adjustments to the extent applicable. Actual adjustments will be made when the final fair value of Gichner's assets and liabilities is determined. Accordingly, the actual adjustments to Gichner's assets and liabilities and the related amortization of such adjustments may differ materially from the estimates reflected in the unaudited pro forma combined financial information.

The following is the preliminary estimate of the assets acquired and the liabilities assumed by Kratos reconciled to the consideration transferred (in millions):

Book value of Gichner net assets acquired	$ 30.1
Identifiable intangible assets	36.6
Goodwill adjustment	66.3
Purchase price allocated	$ 133.0

Goodwill: Goodwill is calculated as the excess of the acquisition date fair value of the consideration transferred over the values assigned to the identifiable assets acquired and liabilities assumed. Goodwill is not amortized but rather is subject to an annual impairment test.

Intangible assets: A preliminary estimate of the fair value of the acquired identifiable intangible assets, which are subject to amortization, using the income approach has been made. Further analysis must be performed to value those assets at fair value and allocate purchase price to those assets. As such, the value of intangible assets may differ significantly from the unaudited pro forma combined financial information. Amortization recorded in the statement of operations may also differ based on the valuation of intangible assets. The following table sets forth the components of these intangible assets and their estimated useful lives (dollars in millions):

	Fair Value	Estimated Useful Life
Customer Relationships	$ 14.0	10 years
Funded Backlog	1.7	1 year
Technical Know-How	20.0	10 years
Trade Names	0.9	5 years
	$ 36.6	

Income taxes: No adjustments to the tax basis of Gichner's assets and liabilities are expected as a result of the Acquisition.

6. Adjustments to Unaudited Pro Forma Combined Balance Sheet:

(A) The sources and uses of funds relating to the Acquisition are as follows (in millions):

Sources:	
Debt issued in connection with the Acquisition (See Note 4(a))	$ 225.0
Uses:	
Cash consideration to stockholders of Gichner	(133.0)
Repayment of Kratos existing credit facility	(53.5)
Payment of transaction costs	(10.0)
Net adjustment of cash and cash equivalents	$ 28.5

(B) Reflects adjustments to deferred financing fees:

Debt financing fees paid	$ 9.0
Write off existing Gichner deferred financing costs	(0.3)
Write off existing Kratos deferred financing costs	(1.9)
Deferred financing fees adjustment	$ 6.8

This adjustment is reflected as $0.7 million in other current assets and $6.1 million in other assets.

(C) Reflects adjustments for goodwill (See Note 5):

Eliminate Gichner historical goodwill	$ (1.3)
Record transaction goodwill	66.3
Goodwill adjustment	$ 65.0

(D) Reflects adjustments to intangibles:

Eliminate Gichner historical intangibles	$ (3.2)
Record estimated transaction intangibles	36.6
Intangibles adjustment	$ 33.4

(E) Reflects adjustments to short term debt:

Elimination of Gichner short term debt	$ (2.8)
Elimination of Kratos short term debt	(5.2)
Short term debt adjustment	$ (8.0)

(F) Reflects adjustments to long term debt:

Debt issued by Kratos in connection with the Acquisition	$ 225.0
Elimination of Gichner long term debt	(11.8)
Elimination of Kratos long term debt	(48.3)
Long term debt adjustment	$ 164.9

(G) Reflects elimination of Gichner additional paid-in capital.

(H) Reflects adjustments to retained earnings:

Eliminate Gichner retained earnings	$ (13.2)
Write-off of existing Kratos deferred financing costs	(1.9)
Impact of transaction closing costs expensed at time of closing for Gichner	4.3
Impact of transaction closing costs expensed at time of closing for Kratos	(1.0)
Retained earnings adjustment	$ (11.8)

(I) Reflects adjustments to deferred taxes on a consolidated basis and adjustments to deferred tax liabilities where the book basis of the acquired assets exceeds the respective tax basis.

7. Adjustments to Unaudited Pro Forma Combined Statement of Operations:

(A) The amount of purchase price allocated to tangible and intangible assets, and the associated assumptions regarding useful lives, represent preliminary estimates by Kratos management that were derived using estimated discounted cash flows and are subject to change pending completion of a final valuation. The amount of purchase price allocated to tangible and intangible assets, as well as the associated useful lives, may increase or decrease and could materially affect the amount of pro forma depreciation and amortization expense.

The preliminary estimate of the identifiable intangible assets of Gichner is $36.6 million with estimated useful lives of 1-10 years. The assets will be amortized on a straight line basis and the adjustments to selling, general and administrative expenses to give effect to the Acquisition are presented below (in millions):

Amortization of:	Year-ended December 27, 2009	Three Months Ended March 28, 2010
Customer Relationships	$ 1.4	$ 0.4
Funded Backlog	1.7	0.4
Technical Know-How	2.0	0.5
Trade Names	0.2	—
Total estimated amortization expense	5.3	1.3
Elimination of Gichner's previously-recorded amortization of acquisition-related intangible assets	(0.4)	(0.1)
Pro forma adjustment to amortization of acquisition-related intangible assets	$ 4.9	$ 1.2

(B) Interest expense adjustments (in millions):

	Year-ended December 27, 2009	Three Months Ended March 28, 2010
Estimated interest on new debt	$ 24.1	$ 6.0
Eliminate interest cost on existing Gichner debt	(1.5)	(0.4)
Eliminate interest cost on existing Kratos debt	(9.2)	(3.5)
Net change in interest expense	$ 13.4	$ 2.1

The interest expense is based on the estimated blended interest cost of the new debt facilities.

Costs incurred in connection with the issuance of acquisition-related debt will be deferred and amortized over the term of the debt. The amount of such costs is approximately $9.0 million. There are $1.9 million of deferred financing costs as of March 28, 2010 related to Kratos existing indebtedness and $0.3 million of deferred financing costs as of March 31, 2010 related to Gichner existing indebtedness, which will be expensed upon completion of the New Revolving Credit Facility which has not been reflected in the Pro Forma Combined Statement of Operations.

(C) Reflects the income tax effects of pro forma adjustments and utilization of Kratos net operating losses and tax attributes to offset tax expense that Gichner would otherwise incur on a stand-alone basis.

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Exhibit 99.3

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FOR IMMEDIATE RELEASE

KRATOS DEFENSE & SECURITY SOLUTIONS ANNOUNCES CLOSING OF $225 MILLION SENIOR SECURED NOTES OFFERING AND COMPLETION OF ACQUISITION OF GICHNER HOLDINGS, INC.

Gichner Acquisition Significantly Enhances Kratos Position in Key Areas of National Security Priority, Asymmetric & Expeditionary Warfare Product Offerings

SAN DIEGO, CA, May 19, 2010—Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS) announced today that it has closed a $225 million Senior Secured Notes offering, and that it has completed its acquisition of Gichner Holdings, Inc. (Gichner). Gichner, headquartered in Dallastown, Pennsylvania, and with other primary facilities in York, Pennsylvania and Charleston, South Carolina, is a leading manufacturer of Tactical Military Products, Combat Support Facilities, Subsystems, Modular Systems and Shelters primarily for the Department of Defense and leading defense system providers. Representative programs which Gichner provides products and solutions include the MQ-1C Sky Warrior, Gorgon Stare, MQ-8B Fire Scout and RQ-7 Shadow Unmanned Aerial Vehicles, the Command Post Platform and Joint Light Tactical Vehicle Tactical Combat Vehicles, DDG-1000 Modular C5 Compartments and the Persistent Threat Detection System ISR Platform. Gichner will become part of Kratos' Weapons Systems Solutions (WSS) Division, where both companies have similar primary customer sets, weapons and other war fighter related systems qualifications.

Richard Selvaggio, Kratos WSS Division President, said, "We believe the addition of Gichner to the WSS Division strategically strengthens our overall capabilities in providing unique weapon system solutions to our primary customers." Selvaggio emphasized the synergies of the entities by stating that "the WSS Division is headquartered in Huntsville Alabama, home of the US Army Aviation & Missile Command and in the near future the U.S. Army Material Command. With over 70% of Gichner and WSS sales in support of the U.S. Army and its allied partners, our product enhancements strategically positions Kratos to meet the needs of emerging force structure requirements."

The acquisition of Gichner furthers Kratos' strategy and position as a premier National Security Solutions provider and federal government contractor in the areas of weapon system upgrade, sustainment and life cycle extension, war fighter systems sustainment, equipment reset and C5ISR. The transaction increases Kratos' workforce to approximately 2,800, a substantial number of whom hold security clearances.

The transaction is expected to immediately increase Kratos' Free Cash Flow, Cash Flow From Operations and Free Cash Flow per share of Kratos common stock. The transaction is also expected to immediately increase Kratos' Operating Income Margins and EBITDA margins. The transaction has been structured so that Kratos' current approximate $210 million in Net Operating Loss carry forwards can be utilized to shelter a substantial portion of the combined company's income from federal income taxes. Kratos' purchase price of Gichner was less than 7.5 times of Gichner's trailing last twelve month's EBITDA.

Eric DeMarco, Kratos' President and Chief Executive Officer, said "The acquisition of Gichner is another important step in the execution of Kratos' strategic business plan. We believe that we are building a business that supports many of our country's long term national security priorities, and a business that supports proven, existing weapons and C5ISR systems and platforms that directly support the war fighter, and Gichner fits extremely well with this profile. Additionally, as I have said before, Gichner has an outstanding and proven management team, and is supporting key programs and initiatives for the transformation of our military to a more expeditionary and asymmetric capable force."

Kratos also announced today the closing of its previously announced private offering of $225 million in aggregate principal amount of 10% Senior Secured Notes due 2017 (the "Notes"). The note holders have a first-priority lien on substantially all assets, except accounts receivable, inventories, deposit accounts, securities accounts, cash, securities and general intangibles (other than intellectual property) where the note holders have a second priority lien. The Notes were issued in a private placement and were resold inside the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

Kratos received approximately $216 million in net cash proceeds from this offering, and used $133 million of such proceeds to fund the Gichner acquisition and approximately $54 million of such proceeds to refinance existing corporate debt. Kratos intends to use the remaining net cash proceeds of the offering for general corporate purposes.

This announcement is neither an offer to sell nor a solicitation of an offer to buy the Notes or any other securities, and shall not constitute an offer to sell or a solicitation of an offer to buy, or a sale of, the Notes or any other securities in any jurisdiction in which such offer, solicitation or sale is unlawful.

Concurrent with the consummation of the offering of the Notes, Kratos entered into a new four year senior secured revolving credit facility with Key Bank National Association, as administrative agent and sole initial lender, in the amount of $25 million. The revolving credit facility is secured by the Company's accounts receivables and inventories. There are currently no borrowings outstanding on the revolving credit facility.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq: KTOS) provides mission critical engineering, IT services, strategic communications and war fighter solutions for the U.S. federal government and for state and local agencies. Principal product, services and solutions offerings include or are related to C5ISR, weapon systems lifecycle support, military weapon range operations and technical services, network engineering services, advanced IT services, security and surveillance systems, and critical infrastructure design and integration. The Company is headquartered in San Diego, California, with resources throughout the U.S. and at key strategic military locations. News and information are available at *www.KratosDefense.com*.

Notice Regarding Forward-Looking Statements

This news release and filing contains certain forward-looking statements that involve risks and uncertainties, including, without limitation, expressed or implied statements concerning the Company's expectations regarding future financial performance, bid and proposal pipeline, performance of key contracts, market developments and the anticipated benefits of the Company's acquisition of Gichner. Such statements are only predictions, and the Company's actual results may differ materially. Factors that may cause the Company's results to differ include, but are not limited to: risks of adverse regulatory action or litigation; risks associated with debt leverage; risks associated with increases in our debt service obligations which may adversely affect our cash flows; risks that our cost cutting initiatives will not provide the anticipated benefits; risks that changes, cutbacks or delays in spending by the U.S. Department of Defense may occur, which could cause delays or cancellations of key government contracts; risks that the anticipated benefits of the Gichner acquisition will not be realized; risks that the Gichner integration will prove more costly, take more time, or be more distracting than currently anticipated; risks related to environmental and potential

exposure to environmental liabilities; risks that changes may occur in Federal government (or other applicable) procurement laws, regulations, policies and budgets; risks of increases in the Federal Government initiatives related to in-sourcing; risks related to our compliance with applicable contracting and procurement laws, regulations and standards; risks relating to contract performance; changes in the competitive environment (including as a result of bid protests); failure to successfully consummate acquisitions or integrate acquired operations and competition in the marketplace which could reduce revenues and profit margins; risks that potential future goodwill impairments will adversely affect our operating results; risks that anticipated tax benefits will not be realized in accordance with our expectations; risks that a change in ownership in our stock could limit future utilization of our Net Operating Losses; risks of our ability to utilize our Net Operating Loss carryforwards and certain other tax attributes may be limited; and risks that the current economic environment will adversely impact our business. The Company undertakes no obligation to update any forward-looking statements. These and other risk factors are more fully discussed in the Company's Annual Report on Form 10-K for the period ended December 27, 2009 and in its Quarterly Report on Form 10-Q for the period ended March 28, 2010, and in other filings made with the Securities and Exchange Commission.

Note Regarding Use of Non-GAAP Financial Measures

Certain of the information set forth herein, including, EBITDA, pro forma EBITDA and the associated margin rates, and Free Cash Flow and Free Cash Flow per Share are considered non-GAAP financial measures. Kratos believes this information is useful to investors because it provides a basis for measuring the Company's available capital resources, the operating performance of the Company's business and the Company's cash flow, excluding extraordinary items and non-cash items that would normally be included in the most directly comparable measures calculated and presented in accordance with generally accepted accounting principles. The Company's management uses these non-GAAP financial measures along with the most directly comparable GAAP financial measures in evaluating the Company's operating performance and capital resources and cash flow. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-financial measures as reported by the Company may not be comparable to similarly titled amounts reported by other companies.

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