

10-02-1998

(Rev. 6-93)

Trademark Office



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U.S. DEPARTMENT OF COMMERCE

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Patent and

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): MW 9-25-98

Comptek Federal Systems, Inc.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other _____Execution Date: May 14, 1998

2. Name and address of receiving party(ies):

Name: Manufacturers and Traders Trust Company

Internal Address: _____

Street Address: One M&T PlazaCity Buffalo State: N.Y. ZIP: 14240Additional name(s) and address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

08/506,928

Additional Numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Martin G. Linihan, Esq.Hodgson, Russ, Andrews, Woods & GoodyearInternal Address: Intellectual Property Law SectionStreet Address: 1800 One M&T PlazaCity: Buffalo State: NY ZIP: 14203

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 3.41)..... \$40.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

08-2442

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature

*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*Martin G. Linihan, Reg. No. 24,926

Name of Person Signing

Signature

June 1998
Date

Total number of pages including cover sheet, attachments and document:

14

09/29/1998 JWM/KMG 00000123 08506928 40.00 01 FC:581

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

In consideration of Manufacturers and Traders Trust Company, a New York banking corporation having its chief executive office at One M&T Plaza, Buffalo, New York 14240, (the "Secured Party") heretofore or hereafter (1) extending or agreeing to extend any credit or other financial accommodation to or relying on any guaranty, endorsement or other assurance of payment of Comptek Federal Systems, Inc., a New York business corporation having its chief executive office at 2732 Transit Road, Buffalo, New York 14224, (the "Debtor") or (2) agreeing to any direct or indirect extension, renewal, refinancing or other modification or replacement of or waiving or forbearing from exercising any right or remedy relating to any obligation heretofore or hereafter arising as a result of any such credit or other financial accommodation, and for other valuable consideration, the receipt of which is acknowledged, the Debtor agrees with the Secured Party as follows:

1. DEFINITIONS. In this Agreement:

a. Collateral. The "Collateral" means collectively, wherever located, whether now owned or hereafter acquired or owned alone or otherwise and whether or not subject to Article 9 of the Uniform Commercial Code or described in any schedule heretofore or hereafter delivered to the Secured Party by the Debtor, (i) all of the Patents and Patent Rights, (ii) all direct or indirect options and rights of the Debtor arising pursuant to or otherwise relating to, additions to, extensions, renewals, improvements and other modifications and replacements of, royalties and other income and payments on account of and Proceeds and other proceeds of any replacement, release, surrender, discharge, exchange, conversion, assignment or other transfer, collection or sale or other disposition of or exercise of any option or right relating to any of the Patents or Patent Rights, whether arising from any action taken by the Debtor or the Secured Party or otherwise, (iii) all Proceeds, other proceeds and Products of any of the things referred to in clauses (i) and (ii) of this sentence and (iv) all records (including, but not limited to, computerized records), technical information and data of the Debtor relating to any of the things referred to in clauses (i), (ii) and (iii) of this sentence.

b. Event of Default. An "Event of Default" occurs or exists if (i) any Event of Default (as such term is defined for purposes of the Loan Agreement, whether or not the Loan Agreement remains in effect) occurs or exists or (ii) the Debtor has any receiver, trustee, custodian or similar Person for him, her or it or any of his, her or its assets appointed (whether with or without his, her or its consent), makes any assignment for the benefit of creditors or commences or has commenced against him, her or it any case or other proceeding pursuant to any bankruptcy, insolvency or similar statute or any formal or informal proceeding for the dissolution, liquidation or winding up of his, her or its affairs or the settlement of claims against him, her or it.

c. Loan Agreement. The "Loan Agreement" means a Corporate Revolving and Term Loan Agreement, dated the date of this Agreement, between Comptek Research, Inc. and the Secured Party, or any direct or indirect replacement of such Corporate Revolving and Term Loan Agreement, as such Corporate Revolving and Term Loan Agreement or any such replacement thereof may hereafter be modified at any time.

d. Obligations. The "Obligations" means collectively all obligations to the Secured Party in any capacity for the payment of any money, however evidenced, regardless of kind, class or form, whether for the payment of any principal, interest, fee, charge, cost or expense or otherwise, incurred for any business or commercial purpose or otherwise, now existing or hereafter arising or accruing, created directly or by any assignment or other transfer, direct or indirect, absolute or contingent (whether pursuant to any guaranty, endorsement or other assurance of payment or otherwise), similar or dissimilar or related or unrelated and whether or not arising or accrued subsequent to any commencement of or made, proved, voted or allowed as a claim in any case or other proceeding pursuant to any bankruptcy, insolvency or similar statute, that have been heretofore or are hereafter incurred by, in any capacity and whether alone or otherwise, the Debtor or, if the Debtor is not an individual, any direct or indirect successor of the Debtor or any direct or indirect assignee or other transferee of all or substantially all of the assets of the Debtor.

e. Other Collateral. "Other Collateral" means, other than the Collateral, (i) any collateral, subordination, guaranty, endorsement or other security or assurance of payment now or hereafter securing the payment of or otherwise applicable to any of the Obligations or (ii) any obligation of the Secured Party, whether pursuant to any Deposit Account or certificate of deposit or otherwise, now or hereafter available for setoff against any of the Obligations.

f. **Other Obligor.** "Other Obligor" means, other than the Debtor, any Person who or that is now or hereafter liable, whether directly or indirectly or absolutely or contingently, for the payment of any of the Obligations.

g. **Patents.** "Patents" means collectively all patents and patent applications, whether United States or foreign, that are now owned or hereafter acquired by the Debtor or in which the Debtor now or hereafter has any right, title or interest, including, but not limited to, (i) the patents and patent applications described on Exhibit A attached to and made a part of this Agreement (as such Exhibit A may hereafter be modified at any time), (ii) any letters patent of the United States or any other country, and any application for any letters patent of the United States or any other country, (iii) any re-issue, continuation, division, continuation-in-part, renewal or extension of any of the things referred to in clauses (i) and (ii) of this sentence, (iv) any invention disclosed or claimed in any of the things referred to in clauses (i), (ii) and (iii) of this sentence, including, but not limited to, any right to make, use, practice, sell, license or otherwise transfer or dispose of any such invention, and (v) any right (but not any obligation) to make and prosecute any application for any patent or similar right described in clauses (i) through (iv) of this sentence.

h. **Patent License Rights.** "Patent License Rights" means collectively all past, present and future rights and interests of the Debtor pursuant to any past, present or future licensing agreement in favor of the Debtor, or to which the Debtor was, is or shall be a party, pertaining to any of the Patents or Patent Rights heretofore or hereafter owned, licensed, controlled or used by any Person other than the Debtor, including, but not limited to, any right in the name of the Debtor or the Secured Party to enforce, and sue and recover for, any past, present or future breach or violation of any such licensing agreement.

i. **Patent Rights.** "Patent Rights" means collectively, all past, present and future rights in, to or associated with any of the Patents throughout the world, whether arising under any federal, state or foreign statute, regulation or other law or otherwise, including, but not limited to, (i) any such right arising out of or associated with any of the Patents, (ii) any right (but not any obligation) to register claims under any federal, state or foreign patent statute, regulation or other law, (iii) any right (but not any obligation) to sue in the name of the Debtor or the Secured Party for any past, present or future infringement of or other damage or injury to any of the Patents or rights relating thereto, (iv) any right to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury and (v) any of the Patent License Rights.

j. **Permitted Lien.** "Permitted Lien" has the meaning given it for purposes of the Loan Agreement, whether or not the Loan Agreement remains in effect.

k. **Person.** "Person" means (i) any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated association, government or political subdivision, (ii) any court, agency or other governmental body or (iii) any other entity, body, organization or group.

l. **Security Interest.** "Security Interest" means any security interest or other lien granted or otherwise created pursuant to the first sentence of Section 2 of this Agreement.

m. **Uniform Commercial Code.** "Uniform Commercial Code" means the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement.

n. **Other Terms.** Each of the following terms has the meaning given it for purposes of Article 9 of the Uniform Commercial Code: (i) Account Debtor, (ii) Deposit Account, (iii) General Intangible, (iv) Proceeds and (v) Products.

2. **GRANT OF SECURITY INTEREST.** To secure the payment of the Obligations, the Debtor grants to the Secured Party a security interest in and assigns, pledges and hypothecates to the Secured Party the Collateral. Each Security Interest is a continuing, absolute and unconditional security interest or other lien.

3. **REINSTATEMENT OF OBLIGATIONS.** Each portion of the Obligations heretofore or hereafter paid or satisfied by any of the Collateral, or any money or Other Collateral, heretofore or hereafter received,

applied or retained by the Secured Party and later recovered from the Secured Party as a result of any claim, (including, but not limited to, any claim involving any allegation that any money constituted trust funds or that the receipt, application or retention of any of the Collateral or any money or Other Collateral or the grant, perfection or other creation or protection of any security interest in or other lien on any of the Collateral or any Other Collateral constituted a preference or fraudulent conveyance or transfer), however asserted and whether now existing or hereafter arising, shall be reinstated as part of the Obligations for purposes of this Agreement as of the date it originally arose or accrued.

4. COVENANTS.

a. Affirmative Covenants. The Debtor shall (i) maintain complete and accurate records relating to the Collateral, (ii) before the end of any applicable grace period, pay each tax, assessment, fee and charge (including, but not limited to, each maintenance fee and annuity) imposed by any government or political subdivision upon any of the Collateral, any ownership, possession, use or sale or other disposition of any of the Collateral, this Agreement or any instrument or other writing evidencing any of the Obligations, (iii) obtain and maintain in full force and effect each authorization, certification, certificate, approval, permit, consent, franchise and license necessary for any ownership, possession, use or sale or other disposition of any of the Collateral, (iv) assume complete responsibility for the prosecution, grant and enforcement of any Patent or Patent Right, and for the taking of any action necessary or appropriate in connection therewith and in furtherance thereof (A) prosecute diligently each now or hereafter pending patent application included in the Patents, (B) make application for each patentable invention of commercial importance to the Debtor's business (with each such application being included in the Collateral) and (C) preserve and maintain all rights in the Patents, (v) defend the Collateral against each demand, claim, counterclaim, setoff and defense asserted by any Person other than the Secured Party (including, but not limited to, any Account Debtor) and (vi) promptly notify the Secured Party of (A) any threat or commencement of any action or other legal proceeding, any entry of any judgment or order of any court, agency or other governmental body, any final adverse determination by the United States Patent and Trademark Office or any similar United States or foreign agency or other governmental body, or any assertion by any Account Debtor or other Person of any demand, claim, counterclaim, setoff or defense, relating to any of the Collateral, (B) any occurrence or existence of any Event of Default, any event or condition that, after notice, lapse of time or both notice and lapse of time, would constitute any Event of Default or any event or condition that has or will or might have any material adverse effect on any of the Collateral and (C) the obtaining by the Debtor of any right, title or interest in or to any patent, patent application or patentable invention included in the Collateral and not in existence on the date of this Agreement, or the entitlement by the Debtor to the benefit of any patent application or patent or any re-issue, division, continuation, renewal, extension or continuation in-part of any of the Collateral or any improvement with respect to any of the Collateral.

b. Negative Covenants. Without the written consent of the Secured Party, the Debtor shall not (i) create, permit to exist or agree to or otherwise incur any obligation to create or permit to exist any security interest in or other lien on any of the Collateral other than Permitted Liens, (ii) execute or permit to be filed, registered or recorded or remain on file or record in any public office any financing statement or amendment of any financing statement relating to any of the Collateral, or any security agreement, instrument of assignment or other writing relating to any Security Interest, and naming any Person other than the Secured Party as a secured party or other lienholder or assignee, except for any financing statement or amendment of any financing statement, or any security agreement, instrument of assignment or other writing, heretofore consented to by the Secured Party in writing or relating solely to any Permitted Lien, (iii) sell or otherwise dispose of any of the Collateral or any interest in any of the Collateral, (iv) use, permit the use of or sell or otherwise dispose of any of the Collateral in any manner that would or might violate or result in any violation of applicable law (including, but not limited to, any criminal statute), (v) change or permit any change in the location of any of the Collateral not in the possession or control of or enroute to or from the Secured Party or (vi) upon or at any time after any occurrence or existence of any Event of Default or any giving by the Secured Party to the Debtor of any notice to the contrary, (A) enforce, extend, renew, refinance or otherwise modify or replace, request, demand, accept, collect or otherwise realize upon, compromise, cancel, discharge, subordinate, accelerate, give any receipt, release or discharge relating to, commence, prosecute or settle any action or other legal proceeding relating to, waive or forbear from exercising any right or remedy relating to or otherwise adversely affect any obligation of any Account Debtor or other Person relating to any of the Collateral or (B) agree or otherwise incur any obligation to do anything described in clause (vi)(A) of this sentence.

c. **Additional Covenants Triggered by Request of Secured Party.** Promptly upon the request of the Secured Party, the Debtor shall (i) execute and deliver to the Secured Party each financing statement, amendment of any financing statement, instrument of assignment and other writing (including, but not limited to, each amendment of this Agreement and each additional security agreement), and take each other action, requested by the Secured Party to perfect or maintain the validity, perfection or priority of any Security Interest, otherwise protect the interest of the Secured Party in any of the Collateral, whether under applicable law or otherwise, verify any of the Collateral or otherwise accomplish any purpose of this Agreement, (ii) provide to the Secured Party all information requested by the Secured Party and relating to any of the Collateral and (iii) permit each officer, employee, accountant, attorney and other agent of the Secured Party to inspect the Collateral and audit, copy and extract each record included in the Collateral.

5. **POWER OF ATTORNEY.** The Debtor irrevocably appoints the Secured Party as the attorney-in-fact of the Debtor, with full power of substitution and revocation, to take, in the name of the Debtor or otherwise, each action relating to any of the Collateral that the Debtor could take (including, but not limited to, (a) endorsing, or executing and delivering any financing statement, amendment of any financing statement, application for any certificate of title, notice of lien, instrument of assignment or other writing relating to, any of the Collateral, (b) upon and at any time after the occurrence or existence of any Event of Default that is not waived in writing by the Secured Party or cured, receiving and collecting any mail addressed to the Debtor, directing the place of delivery of any such mail, opening any such mail and removing from any such mail and retaining any enclosure evidencing or relating to any of the Collateral, (c) upon and at any time after the occurrence or existence of any Event of Default that is not waived in writing by the Secured Party or cured, obtaining, settling and canceling any insurance on any Goods included in the Collateral and using any payment in connection with any such insurance to pay any of the Obligations, whether due or not due, (d) taking any action described in clause (x) of Section 4b of this Agreement and (e) taking any action to perfect or maintain the validity, perfection or priority of any Security Interest, otherwise protect the interest of the Secured Party in any of the Collateral, whether under applicable law (including, but not limited to, the Federal Assignment of Claims Act and the Lien Law of the State of New York) or otherwise, or otherwise accomplish any purpose of this Agreement), except that, until any notice of intention to do so is given by the Secured Party to the Debtor upon or at any time after any occurrence or existence of any Event of Default, the Secured Party may not, as such attorney-in-fact, exercise or direct the exercise of any option, right of subscription or voting or management right relating to or give any consent, ratification or other approval relating to any Security included in the Collateral or, except as expressly permitted by this Agreement, sell, lease or otherwise dispose of any of the Collateral. The power of attorney given pursuant to the preceding sentence is coupled with an interest in favor of the Secured Party and shall not be terminated or otherwise affected by the death, disability or incompetence of the Debtor.

6. **CERTAIN RIGHTS, REMEDIES AND DUTIES.**

a. **Rights and Remedies Pursuant to Applicable Law.** With respect to the Collateral, the Secured Party shall have, but shall not be obligated to exercise, each applicable right and remedy pursuant to applicable law (including, but not limited to, the Uniform Commercial Code) or this Agreement.

b. **Additional Rights Without Event of Default.** The Secured Party shall have the right, but shall not be obligated, to (i) file, register or record in any public office, without the signature of the Debtor and signed, if necessary, by the Secured Party, each financing statement or amendment of any financing statement, and each security agreement, instrument of assignment or other writing (including, but not limited to, this Agreement or any notice thereof), relating to any of the Collateral or any Security Interest that the Secured Party desires to file, register or record, (ii) verify any of the Collateral in any manner or through any medium, whether directly with any Account Debtor or other Person obligated with respect thereto or otherwise or in the name of the Debtor or otherwise, (iii) without the signature or approval of the Debtor, modify Exhibit A attached to and made a part of this Agreement to refer to any of the Collateral not then described thereon, (iv) notify each Account Debtor or other Person obligated with respect to any of the Collateral of the interest of the Secured Party therein, direct such Account Debtor or other Person to make each payment with respect thereto directly and solely to the Secured Party and take control of all Proceeds and other proceeds thereof, and (v) transfer to or register in the name of the Secured Party or any nominee of the Secured Party any of the Collateral so that the Secured Party appears as the sole owner of record thereof, whether such transfer or registration is made with or without reference to this Agreement or any Security Interest.

c. **Additional Rights Upon or After Event of Default.** Upon or at any time after any occurrence or existence of any Event of Default that is not waived in writing by the Secured Party or cured, the Secured Party shall have the right, but shall not be obligated, to (i) perform each obligation of the Debtor pursuant to this Agreement, (ii) without any judicial process but without any breach of the peace, (A) enter upon each premises of the Debtor and (B) take possession of and remove from each such premises any of the Collateral and (iii) without the payment of any compensation of any kind, use each General Intangible (including, but not limited to, each Patent, Patent Right, trademark, service mark, trade name, copyright, license and franchise) of the Debtor, whether or not included in the Collateral, to the extent of the rights of the Debtor therein, for the purpose of exercising any right or remedy of the Secured Party pursuant to this Agreement or arising as a result of this Agreement, and, to such extent for such purpose, the Debtor irrevocably grants the Secured Party a license in each such General Intangible.

d. **Standards for Sale or Other Disposition in Commercially Reasonable Manner.** If upon or at any time after any occurrence or existence of any Event of Default the Secured Party opts for any sale or other disposition of any of the Collateral, (i) no restriction on the prospective purchasers in such sale or other disposition or other restriction on any aspect of such sale or other disposition (including, but not limited to, the advertising or conduct thereof) imposed by the Secured Party in order to comply with applicable law (including, but not limited to, any banking statute) shall be a factor in determining such sale or other disposition to have been made in other than a commercially reasonable manner, and (ii) such sale or other disposition shall not be determined to have been made in other than a commercially reasonable manner solely by reason of (A) its not being a public sale or (B) the failure of the Secured Party to comply with any agreement between the Secured Party and the Debtor with respect to any aspect thereof (including, but not limited to, the advertising or conduct thereof).

e. **Application of Proceeds.** The Secured Party shall apply all proceeds received by the Secured Party from any collection or sale or other disposition of or other recovery upon or otherwise on account of any of the Collateral first to liabilities, costs and expenses described in Section 8 of this Agreement and then to the remainder of the Obligations, whether due or not due, in any order determined by the Secured Party.

7. **STANDARDS OF CARE.** The Secured Party shall be deemed to have exercised reasonable care in the custody or preservation of any of the Collateral that is transferred to or registered in the name of the Secured Party or any nominee of the Secured Party if (a) the treatment thereof by the Secured Party is substantially equal to the treatment by the Secured Party of assets of the Secured Party of a similar nature or (b) the Secured Party takes any action in the custody or preservation thereof reasonably specified by the Debtor in a notice received by the Secured Party in a reasonable time to evaluate and take such action; provided, however, that (i) any failure to take such action shall not of itself be deemed to be a failure to exercise such reasonable care, (ii) in no event shall the Secured Party be obligated to take such action if the Secured Party determines that doing so would or might have any adverse effect on the value of the Collateral or otherwise be incompatible with any provision or purpose of this Agreement and (iii) in no event shall the Secured Party be obligated to (A) preserve any right or remedy against any prior party obligated pursuant to any of the Collateral, whether or not in the possession or under the control of the Secured Party, (B) ascertain or notify the Debtor of any maturity, call, exchange, conversion, redemption, offer, tender or similar matter relating to any of the Collateral, whether or not the Secured Party has knowledge thereof, or (C) provide to the Debtor any notice or other communication received by the Secured Party or any nominee of the Secured Party and relating to any of the Collateral.

8. EXPENSES; INDEMNIFICATION.

a. **Expenses.** The Debtor shall pay to the Secured Party on demand each cost and expense (including, but not limited to, if the Secured Party retains counsel for advice, litigation or any other purpose, reasonable attorneys' fees and disbursements) heretofore or hereafter incurred by the Secured Party in (i) searching for, filing or recording or obtaining any information relating to any financing statement, amendment of any financing statement, application for any certificate of title, notice of lien, instrument of assignment or other writing relating to any of the Collateral or otherwise obtaining any information relating to the Debtor or any of the Collateral, (ii) taking any action pursuant to this Agreement or in connection with the custody or preservation of any of the Collateral or (iii) endeavoring to (A) enforce any obligation of the Debtor pursuant to this Agreement or preserve or exercise any right or remedy of the Secured Party pursuant to this Agreement or arising as a result of this Agreement or (B) preserve or exercise any right or remedy relating to, take possession of, remove from any premises, store, prepare for any sale, lease or other disposition or collect, sell, lease or

otherwise dispose of or otherwise realize upon any of the Collateral. After such demand for the payment of any cost or expense incurred by the Secured Party in performing any obligation of the Debtor pursuant to this Agreement, the Debtor shall pay interest on the portion of such cost or expense remaining unpaid at an annual rate that shall each day be equal to the lesser of (i) the highest rate of interest payable such day (or, if the Loan Agreement is no longer in effect, most recently prior to such day) pursuant to the Loan Agreement or (ii) the highest rate permitted such day by applicable law.

b. Indemnification. The Debtor shall indemnify the Secured Party and each officer, employee, accountant, attorney and other agent of the Secured Party on demand, without any limitation as to amount, against each liability, cost and expense (including, but not limited to, if the Secured Party retains counsel for advice, litigation or any other purpose, reasonable attorneys' fees and disbursements) heretofore or hereafter imposed on, incurred by or asserted against the Secured Party or such officer, employee, accountant, attorney or other agent as a result of any claim (including, but not limited to, any claim involving any allegation of any violation of applicable law (including, but not limited to, any criminal statute), however asserted and whether now existing or hereafter arising, arising out of any ownership, possession, use, operation or sale, lease or other disposition of any of the Collateral.

9. TERMINATION. This Agreement shall remain in full force and effect until and shall terminate only upon (a) the actual receipt by an officer of the Secured Party at the chief executive office of the Secured Party of a written notice of (i) the termination of this Agreement by the Debtor, (ii) if the Debtor is an individual, the death of the Debtor or the judicial declaration of the Debtor's incompetence or (iii) if the Debtor is not an individual, the dissolution or cessation of existence of the Debtor, (b) the expiration of a reasonable period of time for the Secured Party to act upon such notice and (c) the final and indefeasible payment in full of (i) each portion of the Obligations (A) arising or accrued before such receipt of such notice and the expiration of such period of time, (B) thereafter arising or accruing as a result of any credit or other financial accommodation theretofore committed or otherwise agreed to by the Secured Party or (C) thereafter arising or accruing as a result of any of the Obligations described in clause (c)(i)(A) or (B) of this sentence (including, but not limited to, (I) all interest, fees, charges, costs and expenses thereafter accruing with respect to any of the Obligations described in such clause (c)(i)(A) or (B) and (II) all of the Obligations thereafter arising or accruing as a result of any direct or indirect extension, renewal, refinancing or other modification or replacement of any of the Obligations described in such clause (c)(i)(A) or (B)) and (ii) each liability, cost and expense that the Debtor is obligated to pay pursuant to Section 8 of this Agreement, whether theretofore or thereafter arising.

10. LICENSE BACK TO DEBTOR. Until any notice that the right and license granted under this Section 10 is terminated has been given by the Secured Party to the Debtor upon or at any time after any occurrence or existence of any Event of Default, the Secured Party grants to the Debtor the sole and exclusive, nontransferable, royalty-free, worldwide right and license under the Patents to make, have made for it, use, sell and otherwise practice the inventions disclosed and claimed in the Patents for the Debtor's own benefit and account and for none other; provided, however, that the foregoing right and license shall be no greater in scope than, and limited by, the Security Interest and the Debtor acknowledges and agrees that in granting such right and license the Secured Party does not undertake responsibility for any liability, cost or expense and any such liability, cost or expense arising out of such grant shall be exclusively borne by the Debtor. Without the prior written consent of the Secured Party, the Debtor shall not sell or otherwise dispose of, or create, permit to exist or agree to or otherwise incur any obligation to create or permit to exist any security interest in or other lien on, or any sublicense in, the license granted to the Debtor under this Section 10 or any interest in such license. Any such sublicense granted on or after the date of this Agreement shall be terminable by the Secured Party upon termination of the Debtor's license under this Section 10.

11. OBLIGATIONS IMMEDIATELY DUE. Upon or at any time after any occurrence or existence of any Event of Default other than, with respect to the Debtor, any Event of Default described in clause (ii) of Section 1b of this Agreement, all of the Obligations remaining unpaid shall, at the sole option of the Secured Party and without any notice, demand, presentment or protest of any kind (each of which is knowingly, voluntarily, intentionally and irrevocably waived by the Debtor) become immediately due, notwithstanding any agreement to the contrary. Upon any occurrence or existence of, with respect to the Debtor, any Event of Default described in such clause (ii), all of the Obligations remaining unpaid shall automatically, without any notice, demand, presentment or protest of any kind (each of which is knowingly, voluntarily, intentionally and irrevocably waived by the Debtor), become immediately due, notwithstanding any agreement to the contrary. Nothing in this Section 11 shall render any of the Obligations payable on demand payable otherwise than on demand.

12. TERMINATION OF OBLIGATION TO LEND. Upon any occurrence or existence of any Event of Default, any obligation of the Secured Party to extend any credit or other financial accommodation to the Debtor shall terminate, notwithstanding any commitment or other agreement to the contrary.

13. REPRESENTATIONS AND WARRANTIES. The Debtor represents and warrants to the Secured Party:

a. **Authority.** The execution, delivery to the Secured Party and performance of this Agreement by the Debtor (i) do not and will not violate applicable law, any judgment or order of any court, agency or other governmental body by which the Debtor is bound or, if the Debtor is not an individual, any certificate or articles of incorporation or organization, by-laws, operating or partnership agreement or other charter, organizational or other governing document of the Debtor, (ii) do not and will not violate or constitute any default under any agreement or instrument by which the Debtor is bound, (iii) if the Debtor is not an individual, are and will be in furtherance of the purposes and within the power and authority of the Debtor and (iv) do not and will not require any authorization of, notice to or other act by or relating to any Person (including, but not limited to, if the Debtor is not an individual, any shareholder, board of directors or member of the Debtor) that has not been duly obtained, given or done and is not in full force and effect.

b. **Questionnaire.** Each answer contained in a Credit Facility Questionnaire, dated the date of this Agreement, submitted by or on behalf of the Debtor to the Secured Party in connection with this Agreement is complete and accurate in each material respect.

c. **Rights with Respect to Collateral.** Except as heretofore disclosed by the Debtor to the Secured Party in writing, there exists (i) no security interest in or other lien on any of the Collateral other than Permitted Liens, (ii) no presently effective financing statement or amendment of any financing statement relating to any of the Collateral, and no security agreement, instrument of assignment or other writing relating to any Security Interest, naming any Person other than the Secured Party as a secured party or other lienholder or assignee, (iii) no contractual or other restriction on the grant of any security interest in or assignment, pledge or hypothecation of any of the Collateral and (iv) no demand, claim, counterclaim, setoff or defense, no action or other legal proceeding, and no outstanding judgment or order of any court, agency or other governmental body, relating to any of the Collateral.

d. **Actions with Respect to Collateral.** Except as heretofore disclosed by the Debtor to the Secured Party in writing, the Debtor has not (i) sold or otherwise disposed of any of the Collateral or any interest in any of the Collateral or (ii) extended, renewed, refinanced or otherwise modified or replaced, compromised, canceled, discharged, subordinated, accelerated, waived, forborne from exercising any right or remedy relating to or adversely affected any obligation of any Account Debtor or other Person relating to any of the Collateral.

e. **Patents, Patent Rights and Other General Intangibles.** Each Patent, Patent Right and other General Intangible included in the Collateral is or, if not now existing, will be genuine, in all respects what it purports to be and enforceable in accordance with its terms against each Account Debtor or other Person obligated with respect thereto, subject to no demand, claim, counterclaim, setoff or defense.

f. **Information as to Patents.** Exhibit A attached to and made a part of this Agreement contains a complete and accurate description of all issued and pending Patents, and all Patent Rights, owned by the Debtor or in which the Debtor has any right, title or interest as of the date of this Agreement, no claim has been made that the use of any such Patent or Patent Right violates or may violate any right of any Person and, to the best of the Debtor's knowledge after due inquiry, there is no infringement by any Person of any such Patent or Patent Right.

14. CERTAIN CONSENTS AND WAIVERS.

a. **Consents.** Except to the extent expressly provided in this Agreement, this Agreement shall not be modified or terminated, no Security Interest, no obligation of the Debtor pursuant to this Agreement and no right or remedy of the Secured Party pursuant to this Agreement or arising as a result of this Agreement shall be impaired or otherwise adversely affected, and no such right or remedy shall be waived, by any act, omission or other thing, whether heretofore occurred or hereafter occurring. The Debtor knowingly, voluntarily, intentionally and irrevocably consents, without any notice, to each act, omission and other thing, whether heretofore occurred or hereafter occurring, that would or might, but for such consent, modify or terminate this Agreement, impair or otherwise adversely affect any Security Interest or any such obligation, right or remedy or operate as a waiver of any such right or remedy. Without limiting the generality of the preceding two sentences, this Agreement shall not be modified or terminated by, no Security Interest and no such obligation, right or remedy shall be impaired or otherwise adversely affected by, no such right or remedy shall be waived by, and such consent shall apply to, whether heretofore occurred or hereafter occurring, (i) any direct or indirect extension, renewal, refinancing or other modification of, or any replacement, assignment or other transfer, compromise, cancellation, discharge, invalidity, impairment, unenforceability or change in any term or condition of, defense with respect to or grant of any participation in, any of the Obligations or any other obligation of the Debtor or any Other Obligor or other Person, (ii) any acceptance of any Other Obligor, (iii) any taking, increase or decrease in value, impairment or release of, collection or sale, lease or other disposition of or other realization upon or failure or delaying to call for, take any property as, hold, preserve, protect, insure or collect, sell, lease or otherwise dispose of or otherwise realize upon any of the Collateral or any Other Collateral, (iv) any failure or delaying to perfect, keep perfected or maintain the priority of any security interest in or other lien on any of the Collateral or any Other Collateral, (v) any exercise or waiver of, failure or delaying to exercise, forbearance from exercising or failure to give any notice prior to exercising any right or remedy of the Secured Party or any other Person relating to any of the Obligations, any of the Collateral or any Other Collateral or against the Debtor or any Other Obligor or other Person, (vi) any case or other proceeding pursuant to any bankruptcy, insolvency or similar statute with respect to the Debtor or any Other Obligor or other Person, (vii) any failure of the Secured Party or any other Person to make, prove or vote any claim relating to any of the Obligations, any of the Collateral or any Other Collateral, or any failure of any such claim to be allowed, in any case or other proceeding pursuant to any bankruptcy, insolvency or similar statute, (viii) the Obligations being at any time or from time to time paid in full or reduced and then increased or exceeding any amount, (ix) any refusal or other failure of the Secured Party or any other Person to grant any or any additional credit or other financial accommodation to the Debtor or any Other Obligor or other Person or provide to the Debtor any or complete and accurate information relating to any Other Obligor or other Person or the business, operations, assets, affairs or condition (financial or other) of any Other Obligor or other Person, (x) any notice to the Secured Party or any other Person from any Other Obligor or other Person not to grant any or any additional credit or other financial accommodation to the Debtor or to take or not to take any other action, (xi) the acceptance by the Secured Party or any other Person of any writing intended by the Debtor or any Other Obligor or other Person to create an accord and satisfaction with respect to any of the Obligations or any other obligation of the Debtor or any Other Obligor or other Person, (xii) the manner or order of any collection or sale, lease or other disposition of or other realization upon any of the Collateral or any Other Collateral, (xiii) the manner or order of application of any money applied in payment of any of the Obligations, (xiv) any change in the ownership, membership, location, business, name, identity or structure of the Debtor or any Other Obligor or other Person or (xv) the execution and delivery to the Secured Party by any Other Obligor or other Person of any agreement or instrument providing any Other Collateral.

b. **Waivers.** The Debtor knowingly, voluntarily, intentionally and irrevocably waives, without any notice, each act and other thing upon which, but for such waiver, any Security Interest, any obligation of the Debtor pursuant to this Agreement or any right or remedy of the Secured Party pursuant to this Agreement or arising as a result of this Agreement would or might be conditioned. Without limiting the generality of the preceding sentence, no Security Interest and no such obligation, right or remedy shall be conditioned upon, and such waiver shall apply to, (i) the acceptance of this Agreement by the Secured Party, (ii) any demand upon or presentment or protest to the Debtor or any Other Obligor or other Person, (iii) any exercise of any right or remedy of the Secured Party or any other Person relating to any of the Obligations, any of the Collateral or any Other Collateral or against the Debtor or any Other Obligor or other Person or (iv) any notice to the Debtor or any Other Obligor or other Person of the acceptance of this Agreement by the Secured Party, any incurring or nonpayment of any of the Obligations, any occurrence or existence of any Event of Default or any other event or condition of default relating to any of the Obligations, any of the Collateral or any Other Collateral, any decline in the value of any of the Collateral or any Other Collateral, any exercise of any right or remedy of the Secured

Party or any other Person relating to any of the Obligations, any of the Collateral or any Other Collateral or against the Debtor or any Other Obligor or other Person, any action taken or not taken by the Secured Party or any other Person or any other matter.

15. NOTICES. Each notice and other communication by the Secured Party to the Debtor, or by the Debtor to the Secured Party, relating to this Agreement (a) shall be given in writing, (including, but not limited to, facsimile), (b) if given by facsimile, shall be directed to the intended recipient thereof at the last telephone number for receipt of facsimiles by such intended recipient shown in the following sentence or at such other telephone number for receipt of facsimiles by such intended recipient as may at any time or from time to time be specified in any notice given by such intended recipient to the giver of such notice as provided in this sentence, (c) if given otherwise, shall be directed to such intended recipient at the address of such intended recipient shown in the following sentence or at such other address as may at any time or from time to time be specified in any notice given by such intended recipient to the giver of such notice as provided in this sentence and (d) if sent by mail or overnight courier service, shall be deemed to have been given when deposited in the mail, first-class or certified postage prepaid, or accepted by any post office or overnight courier service for delivery and to have been received by such intended recipient upon the earlier of (i) the actual receipt thereof or (ii) three days after being so deposited or accepted. Each such notice and other communication shall (a) if to the Secured Party, be directed to (i) if given by facsimile, Manufacturers and Traders Trust Company, Attention: Western New York Commercial Banking Department, at 716-848-7318 or (ii) if given otherwise, Manufacturers and Traders Trust Company, One Fountain Plaza, Buffalo, New York 14240, Attention: Western New York Commercial Banking Department, or (b) if to the Debtor, be directed to (i) if given by facsimile, Comptek Federal Systems, Inc., Attention: Christopher A. Head, General Counsel, at 716-677-0014, or (ii) if given otherwise, Comptek Federal Systems, Inc., 2732 Transit Road, Buffalo, New York 14224, Attention: Christopher A. Head, General Counsel.

16. MISCELLANEOUS.

a. Reproductions. Each photographic or other reproduction of this Agreement or any financing statement relating to any of the Collateral shall be sufficient as a financing statement, and each such reproduction of any amendment of any such financing statement shall be sufficient as an amendment of a financing statement.

b. Reliance by Other Persons. Each Account Debtor and other Person obligated with respect to any of the Collateral may accept without any question any exercise by the Secured Party of any right or remedy of the Secured Party pursuant to this Agreement or arising as a result of this Agreement.

c. Limitation on Security Interest. The payment of the Obligations shall not be secured by any Security Interest to the extent of any amount in excess of the maximum amount the payment of which can be so secured without rendering such Security Interest unenforceable under applicable law as a fraudulent conveyance or transfer.

d. Obligations Relating to Collateral. The grant or other creation of any Security Interest shall not constitute any assignment by the Debtor to the Secured Party of any obligation of the Debtor relating to any of the Collateral. The Debtor shall remain obligated to perform each such obligation, and the Secured Party shall not be obligated to perform any such obligation, whether or not the Secured Party exercises any right or remedy pursuant to this Agreement or arising as a result of this Agreement. The only obligations of the Secured Party relating to the Collateral shall be, to the extent required by applicable law, to (i) exercise reasonable care in the custody or preservation of any of the Collateral that is transferred to or registered in the name of the Secured Party or any nominee of the Secured Party and (ii) upon and after any occurrence or existence of any Event of Default act in a commercially reasonable manner in exercising with respect to any of the Collateral any right or remedy pursuant to this Agreement or arising as a result of this Agreement.

e. Liability. If more than one Person executes this Agreement, (i) each of them shall be jointly and severally liable pursuant to this Agreement, and (ii) this Agreement shall be construed, interpreted and enforced, whether in any action or other legal proceeding or otherwise, as to each of them as though each of them had executed and delivered to the Secured Party a separate agreement identical to this Agreement.

f. Effect on Other Agreements and Instruments. The execution, delivery to the Secured Party and performance of this Agreement by the Debtor shall not modify or terminate any other agreement or instrument

(including, but not limited to, any agreement or instrument creating any security interest in or other lien on any of the Collateral or providing any Other Collateral) by which the Debtor or any Other Obligor or other Person is bound or impair or otherwise adversely affect any obligation of the Debtor or any Other Obligor or other Person pursuant to any such other agreement or instrument.

g. Right of Setoff. Upon and at any time and from time to time after any occurrence or existence of any Event of Default, the Secured Party shall have the right to place an administrative hold on and set off against each obligation of the Debtor pursuant to this Agreement each obligation of the Secured Party in any capacity to, in any capacity and whether alone or otherwise, the Debtor, whether now existing or hereafter arising or accruing, whether or not then due and whether pursuant to any Deposit Account or certificate of deposit or otherwise. Such setoff shall become effective at the time the Secured Party opts therefor even though evidence thereof is not entered in the records of the Secured Party until later.

h. Assignment or Grant of Participation. In conjunction with any assignment or other transfer of or grant of any participation in any of the Obligations by the Secured Party, the Secured Party shall have the right to assign or otherwise transfer or grant any participation in this Agreement, any Security Interest, any obligation of the Debtor pursuant to this Agreement or any right or remedy of the Secured Party pursuant to this Agreement.

i. Binding Effect. This Agreement shall be binding upon the Debtor and each direct or indirect legal representative, successor and assignee of the Debtor and shall inure to the benefit of and be enforceable by the Secured Party and each direct or indirect successor and assignee of the Secured Party.

j. Entire Agreement, Modifications and Waivers. This Agreement contains the entire agreement between the Secured Party and the Debtor with respect to the subject matter of this Agreement and supersedes each action heretofore taken or not taken, each course of conduct heretofore pursued, accepted or acquiesced in, and each oral or written agreement and representation heretofore made, by or on behalf of the Secured Party with respect thereto. No action heretofore or hereafter taken or not taken, no course of conduct heretofore or hereafter pursued, accepted or acquiesced in, no oral or written agreement or representation heretofore made, and no oral agreement or representation hereafter made, by or on behalf of the Secured Party shall modify or terminate this Agreement, impair or otherwise adversely affect any Security Interest, any obligation of the Debtor pursuant to this Agreement or any right or remedy of the Secured Party pursuant to this Agreement or arising as a result of this Agreement or operate as a waiver of any such right or remedy. No modification of this Agreement or waiver of any such right or remedy shall be effective unless made in a writing duly executed by the Secured Party and specifically referring to such modification or waiver.

k. Rights and Remedies Cumulative. All rights and remedies of the Secured Party pursuant to this Agreement or arising as a result of this Agreement shall be cumulative, and no such right or remedy shall be exclusive of any other such right or remedy.

l. Extent of Consents and Waivers. Each consent and waiver of the Debtor contained in this Agreement shall be deemed to have been given to the extent permitted by applicable law.

m. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. If, however, any such provision shall be prohibited by or invalid under such law, it shall be deemed modified to conform to the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any other such provision being prohibited or invalid.

n. Governing Law. This Agreement shall be governed by and construed, interpreted and enforced in accordance with the internal law of the State of New York, without regard to principles of conflict of laws.

o. Headings. In this Agreement, headings of sections are for convenience of reference only and have no substantive effect.

17. CONSENTS AND WAIVERS RELATING TO LEGAL PROCEEDINGS.

a. JURISDICTIONAL CONSENTS AND WAIVERS. THE DEBTOR KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY (i) CONSENTS IN EACH ACTION AND OTHER LEGAL PROCEEDING COMMENCED BY THE SECURED PARTY IN CONNECTION WITH THIS AGREEMENT, ANY OF THE OBLIGATIONS, ANY OF THE COLLATERAL OR ANY OTHER COLLATERAL TO THE PERSONAL JURISDICTION OF ANY COURT THAT IS EITHER A COURT OF RECORD OF THE STATE OF NEW YORK OR A COURT OF THE UNITED STATES LOCATED IN THE STATE OF NEW YORK, (ii) WAIVES EACH OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION OR OTHER LEGAL PROCEEDING, (iii) WAIVES PERSONAL SERVICE OF PROCESS IN EACH SUCH ACTION AND OTHER LEGAL PROCEEDING, (iv) CONSENTS TO THE MAKING OF SERVICE OF PROCESS IN EACH SUCH ACTION AND OTHER LEGAL PROCEEDING BY REGISTERED MAIL DIRECTED TO THE DEBTOR AT THE LAST ADDRESS OF THE DEBTOR SHOWN IN THE RECORDS RELATING TO THIS AGREEMENT MAINTAINED BY THE SECURED PARTY, WITH SUCH SERVICE OF PROCESS TO BE DEEMED COMPLETED FIVE DAYS AFTER THE MAILING THEREOF AND (v) CONSENTS TO EACH FINAL JUDGMENT THAT IS OBTAINED AS A DIRECT OR INDIRECT RESULT OF ANY SUCH ACTION OR OTHER LEGAL PROCEEDING BEING SUED UPON IN ANY COURT HAVING JURISDICTION WITH RESPECT THERETO AND ENFORCED IN THE JURISDICTION IN WHICH SUCH COURT IS LOCATED AS IF ISSUED BY SUCH COURT.

b. WAIVER OF TRIAL BY JURY AND CLAIMS TO CERTAIN DAMAGES. THE DEBTOR KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES EACH RIGHT THE DEBTOR MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO, AND EACH RIGHT TO ASSERT ANY CLAIM FOR DAMAGES (INCLUDING, BUT NOT LIMITED TO, PUNITIVE DAMAGES) IN ADDITION TO ACTUAL AND CONSEQUENTIAL DAMAGES IN, ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER BASED ON ANY CONTRACT OR NEGLIGENCE, INTENTIONAL OR OTHER TORT OR OTHERWISE, IN CONNECTION WITH (i) THIS AGREEMENT, ANY OF THE OBLIGATIONS, ANY OF THE COLLATERAL OR ANY OTHER COLLATERAL OR (ii) ANY ACTION HERETOFORE OR HEREAFTER TAKEN OR NOT TAKEN, ANY COURSE OF CONDUCT HERETOFORE OR HEREAFTER PURSUED, ACCEPTED OR ACQUIESCED IN, OR ANY ORAL OR WRITTEN AGREEMENT OR REPRESENTATION HERETOFORE OR HEREAFTER MADE, BY OR ON BEHALF OF THE SECURED PARTY IN CONNECTION WITH THIS AGREEMENT, ANY OF THE OBLIGATIONS, ANY OF THE COLLATERAL OR ANY OTHER COLLATERAL.

Dated: May 14, 1998

COMPTON FEDERAL SYSTEMS, INC.

By

John J. Sciuto, President and Chief Executive Officer

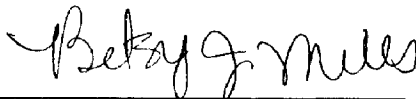
ACKNOWLEDGMENT

STATE OF NEW YORK)

: SS.

COUNTY OF ERIE)

On the 14th day of May in the year 1998, before me personally came John J. Sciuto, to me known, who, being by me duly sworn, did depose and say that he resides at 6392 Black Walnut Court, East Amherst, New York 14051; that he is the President and Chief Executive Officer of Comptek Federal Systems, Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said corporation.



Notary Public

BETSY J. MILLS
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan 29, 2000

EXHIBIT A

ISSUED AND PENDING PATENTS

I. UNITED STATES

Patents Issued by U.S. Patent and Trademark Office

<u>Patent No.</u>	<u>Issue Date</u>	<u>Inventor(s)</u>	<u>Title</u>
[List chronologically in ascending numerical order]			

Patents Pending with U.S. Patent and Trademark Office

<u>Serial No.</u>	<u>Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
08/506,928	7/26/95	Michael E. Rupp Adam V. Magoss Ronald G. Putzbach Michael P. Morford Larry D. Fitzgerald Gregory H. Kramer	Data Bus Recorder

NONE

II. FOREIGN

Patents Issued

<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
[List chronologically in ascending numerical order]			

NONE

Patents Pending

<u>Country</u>	<u>Application No.</u>	<u>Filing Date</u>	<u>Title</u>
[List chronologically in ascending numerical order]			

NONE

PATENT RIGHTS

[Describe]