

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		Intellectual Property Security Agreement	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
SYS		05/19/2010	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Wilmington Trust FSB, as collateral agent		
Street Address:	Corporate Capital Markets		
Internal Address:	50 South Sixth Street,Suite 1290		
City:	Minneapolis		
State/Country:	MINNESOTA		
Postal Code:	55402		
Entity Type:	Federally Chartered Savings Bank:		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	3158527	SENSORWORX	
Registration Number:	2944754	BATTGUARD	
Registration Number:	2773907	GRAVITON	
CORRESPONDENCE DATA			
Fax Number:	(212)354-8113		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	2128198200		
Email:	fcutajar@whitecase.com		
Correspondent Name:	White & Case LLP		
Address Line 1:	1155 Avenue of the Americas		
Address Line 2:	Patents & Trademarks		
Address Line 4:	New York, NEW YORK 10036		
ATTORNEY DOCKET NUMBER:	1155732-0161		
NAME OF SUBMITTER:	Frances B. Cutajar		

OP \$90.00 3158527

900164725

TRADEMARK
REEL: 004225 FRAME: 0460

Signature:	/Frances B. Cutajar/
Date:	06/15/2010
<p>Total Attachments: 32</p> <p>source=KratosSYSTMSecurityAgreement#page1.tif source=KratosSYSTMSecurityAgreement#page2.tif source=KratosSYSTMSecurityAgreement#page3.tif source=KratosSYSTMSecurityAgreement#page4.tif source=KratosSYSTMSecurityAgreement#page5.tif source=KratosSYSTMSecurityAgreement#page6.tif source=KratosSYSTMSecurityAgreement#page7.tif source=KratosSYSTMSecurityAgreement#page8.tif source=KratosSYSTMSecurityAgreement#page9.tif source=KratosSYSTMSecurityAgreement#page10.tif source=KratosSYSTMSecurityAgreement#page11.tif source=KratosSYSTMSecurityAgreement#page12.tif source=KratosSYSTMSecurityAgreement#page13.tif source=KratosSYSTMSecurityAgreement#page14.tif source=KratosSYSTMSecurityAgreement#page15.tif source=KratosSYSTMSecurityAgreement#page16.tif source=KratosSYSTMSecurityAgreement#page17.tif source=KratosSYSTMSecurityAgreement#page18.tif source=KratosSYSTMSecurityAgreement#page19.tif source=KratosSYSTMSecurityAgreement#page20.tif source=KratosSYSTMSecurityAgreement#page21.tif source=KratosSYSTMSecurityAgreement#page22.tif source=KratosSYSTMSecurityAgreement#page23.tif source=KratosSYSTMSecurityAgreement#page24.tif source=KratosSYSTMSecurityAgreement#page25.tif source=KratosSYSTMSecurityAgreement#page26.tif source=KratosSYSTMSecurityAgreement#page27.tif source=KratosSYSTMSecurityAgreement#page28.tif source=KratosSYSTMSecurityAgreement#page29.tif source=KratosSYSTMSecurityAgreement#page30.tif source=KratosSYSTMSecurityAgreement#page31.tif source=KratosSYSTMSecurityAgreement#page32.tif</p>	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY 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 SYS, a California corporation ("Pledgor"), in favor of WILMINGTON TRUST FSB, as the collateral agent under the Indenture, as hereinafter defined (the "Collateral Agent"), for the benefit of the Secured Parties, as defined in the Indenture.

1. Recitals.

WHEREAS, KRATOS DEFENSE & SECURITY SOLUTIONS, INC (the "Company") and Wilmington Trust FSB, 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 an aggregate 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) grant a security interest in the Collateral (as defined herein);

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, and (b) one or more pledge agreements, dated as of May 19, 2010, pursuant to which the Pledgors 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 the relative priority of their respective Liens in the Collateral and their rights with respect thereto;

WHEREAS, the Company and the Pledgor, among others, have entered into that certain Security Agreement dated as of May 19, 2010 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "Security Agreement"); and

WHEREAS, to induce the Initial Purchaser to purchase the Notes, each Holder to hold the Notes to be held by it and Wilmington Trust FSB to act in its capacities as Trustee and the Collateral Agent, the Pledgor desires to pledge, grant, transfer, and assign to the Collateral Agent, for the benefit of itself and the Secured Parties, a security interest in the Collateral to secure the Obligations under the Indenture Documents, 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, the Collateral Agent and the Pledgor 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:

“Assignment” means an Assignment in the form of Exhibit A attached hereto.

“Collateral” means, collectively, all of Pledgor’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 I hereto (as such Schedule I 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 Pledgor connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; (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; and (i) Proceeds of any of the foregoing.

“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.

“Event of Default” means an event or condition that constitutes an Event of Default, as defined in Section 8.1 hereof.

“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.

“TTU Application” means a trademark application filed with the USPTO pursuant to 15 U.S.C. § 1051(b).

“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 Pledgor pursuant hereto), obligations (including indemnification obligations), fees, charges, costs, reasonable expenses (including any expenses that, but for the commencement of an Insolvency or Liquidation Proceeding, would have accrued), guaranties, covenants, and duties of any kind and description owing by any Pledgor 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 Pledgor 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 or Liquidation Proceeding.

“Proceeds” means (a) proceeds, as such 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 (as defined in the Security Agreement). 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 Pledgor’s sale, exchange, collection, or other disposition of any or all of the Collateral.

“Required Holders” means, with respect to any action or direction, the percentage of Holders required pursuant to the Indenture to take such action or authorize such action or direction.

“Trademark Act” means the U.S Trademark Act of 1946, as amended.

“USCO” means the United States Copyright Office in Washington, D.C.

“USPTO” means the United States Patent and Trademark Office in Alexandria, Virginia.

3. Grant of Assignment and Security Interest. Pledgor hereby acknowledges that it granted the Collateral Agent pursuant to the Security Agreement entered into by Pledgor and the Collateral Agent on even date herewith, in consideration of and as security for the full and

complete payment of all of the Obligations, for the benefit of the Secured Parties, a security interest in all of the Collateral, including (without limitation) all of Pledgor's future Collateral, irrespective of any lack of knowledge by the Collateral Agent or the Secured Parties of the creation or acquisition thereof. As further consideration for the Obligations, Pledgor agrees to the terms and conditions set forth in this Agreement. Pledgor 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.

4. Representations and Warranties. Pledgor hereby represents and warrants to the Collateral Agent and each Secured Party as follows:

4.1. Pledgor owns all of the Collateral and, whether the same are registered or unregistered, no such Collateral has been adjudged invalid or unenforceable.

4.2. The Collateral is valid and enforceable.

4.3. Pledgor has no knowledge of any material claim that the use of any of the Collateral does or may violate the rights of any Person.

4.4. Except for liens expressly permitted pursuant to Section 4.14 of the Indenture, Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Pledgor not to sue third Persons.

4.5. Pledgor has full power, authority and legal right to pledge the Collateral and enter into this Agreement and perform its terms.

4.6. Pledgor has used, and shall continue to use, for the duration of this Agreement, proper statutory notice in connection with its use of the Collateral, except where the failure to do so will not have a material adverse effect.

5. Further Assignment Prohibited. Pledgor shall not enter into any agreement that is inconsistent with Pledgor's obligations under this Agreement and shall not otherwise sell or assign its interest in, or grant any license or sublicense with respect to, any of the Collateral, except as permitted under the Indenture and the Collateral Agreements. Any such attempted sale or license is null and void.

6. Right to Inspect. Pledgor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, and its employees and agents the right, during regular business hours, to visit

any location of Pledgor or, if applicable, any other location, and to inspect the products and quality control records relating thereto at Pledgor's expense.

7. Standard Patent and Trademark Use. Pledgor shall not use the Collateral in any manner that would jeopardize the validity or legal status thereof. Pledgor shall comply with all patent marking requirements as specified in 35 U.S.C. §287. Pledgor shall use commercially reasonable efforts to conform its usage of any trademarks to standard trademark usage, including, but not limited to, using the trademark symbols ®, ™, and SM where appropriate.

8. Events of Default.

8.1. The occurrence of an Event of Default, as defined in the Indenture, shall constitute an Event of Default hereunder.

8.2. Pledgor expressly acknowledges that, to perfect the liens in favor of the Collateral Agent, for the benefit of the Secured Parties, it shall record this Agreement with the USCO and the USPTO, as appropriate. Contemporaneously herewith, Pledgor shall execute and deliver to the Collateral Agent the Assignment, which Assignment shall have no force and effect and shall be held by the Collateral Agent in escrow until the occurrence of an Event of Default; provided, that, anything herein to the contrary notwithstanding, the security interest and collateral assignment granted herein shall be effective as of the date of this Agreement. After the occurrence of an Event of Default, the Assignment shall immediately take effect upon certification of such fact by an authorized officer of the Collateral Agent in the form reflected on the face of the Assignment and the Collateral Agent may, in its sole discretion, record the Assignment with the USCO and the USPTO, as appropriate, or in any appropriate office in any foreign jurisdiction in which such patent, trademark, copyright or other intellectual property interest is registered, or under whose laws such property interest has been granted.

8.3. If an Event of Default shall occur, Pledgor irrevocably authorizes and empowers the Collateral Agent, on behalf of the Secured Parties, to terminate Pledgor's use of the Collateral and to exercise such rights and remedies as allowed by law. Without limiting the generality of the foregoing, after any delivery or taking of possession of the Collateral, or any thereof, pursuant to this Agreement, then, with or without resort to Pledgor or any other Person or property, all of which Pledgor hereby waives, and upon such terms and in such manner as the Collateral Agent may deem advisable, the Collateral Agent, on behalf of the Secured Parties, in its sole discretion, may sell, assign, transfer and deliver any of the Collateral, together with the associated goodwill, or any interest that Pledgor may have therein, at any time, or from time to time. No prior notice need be given to Pledgor or to any other Person in the case of any sale of Collateral that the Collateral Agent determines 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 Pledgor 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. Pledgor 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 Pledgor 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 in its sole discretion may deem advisable. Any excess, to the extent permitted by law, shall be paid to Pledgor, and the obligors on the Obligations shall remain liable for any deficiency. In addition, the Collateral Agent shall at all times have the right to obtain new appraisals of Pledgor or the Collateral, the cost of which shall be paid by Pledgor.

9. Maintaining Collateral; Attorneys' Fees, Costs and Expenses. Pledgor shall have the obligation and duty to perform all acts necessary to maintain or preserve the Collateral, provided that Pledgor shall not be obligated to maintain any Collateral in the event Pledgor determines, in the reasonable business judgment of Pledgor, that the maintenance of such Collateral is no longer necessary in Pledgor's business. Any and all fees, costs and expenses, of whatever kind or nature, including, without limitation, the attorneys' fees and legal expenses incurred by the Collateral Agent and the Secured Parties in connection with the amendment and enforcement of this Agreement, all renewals, required affidavits and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by Pledgor, upon demand by the Collateral Agent and, until so paid, shall be added to the principal amount of the Obligations.

10. Pledgor's Obligation to Prosecute. Pledgor shall have the duty to prosecute diligently (unless in Pledgor's reasonable judgment such prosecution will be unsuccessful or is otherwise unwarranted) any patent, trademark, service mark or copyright application pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, 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 Collateral, including, but not limited to, payment of any maintenance fees. Any expenses incurred in connection with the Collateral shall be borne by Pledgor. Pledgor shall not abandon any Collateral unless Pledgor determines in its reasonable business judgment that such Collateral is no longer necessary in the Pledgor's business or such abandonment will not have a material adverse effect on Pledgor or such abandonment is in connection with the abandonment of a product or product line.

11. Collateral Agent's Right to Enforce. Pledgor shall have the right to bring any opposition proceeding, cancellation proceeding or lawsuit in its own name to enforce or protect the Collateral. The Collateral Agent, on behalf of the Secured Parties, shall have the right, but shall have no obligation, to join in any such action. Pledgor shall promptly, upon demand, reimburse and indemnify the Collateral Agent and the Secured Parties for all damages, reasonable costs and expenses, including attorneys' fees, incurred by the Collateral Agent and the Secured Parties in connection with the provisions of this Section 11, in the event the Collateral Agent, on behalf of the Secured Parties, elects to join in any such action commenced by Pledgor.

12. Power of Attorney. Pledgor hereby authorizes and empowers the Collateral Agent, on behalf of the Secured Parties, to make, constitute and appoint any officer or agent of the Collateral Agent as the Collateral Agent may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, with the power to endorse, after the occurrence of an Event of Default, Pledgor's name on all applications, documents, papers and instruments necessary for the Collateral Agent, on behalf of the Secured Parties, to use the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third party, or necessary for the Collateral Agent, on behalf of the Secured Parties, to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral, together with associated goodwill, to any Person or Persons. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

13. Collateral Agent's Right to Perform Obligations. If Pledgor fails to comply with any of its obligations under this Agreement, the Collateral Agent, on behalf of the Secured Parties, may, but is not obligated to, do so in Pledgor's name or in the name of the Collateral Agent, on behalf of the Secured Parties, but at Pledgor's expense, and Pledgor hereby agrees to reimburse the Collateral Agent, upon request, in full for all expenses, including attorneys' fees, incurred by the Collateral Agent and the Secured Parties in protecting, defending and maintaining the Collateral.

14. Additional Documents. Pledgor shall, upon written request of the Collateral Agent, enter into such additional documents or instruments as may be required by the Collateral Agent in order to effectuate, evidence or perfect the interest of the Collateral Agent and the other Secured Parties in the Collateral, as evidenced by this Agreement.

15. New Collateral. If, before the Obligations are paid and performed in full (other than contingent indemnification obligations) or the Defeasance thereof shall have been consummated, Pledgor shall obtain rights to any new Collateral, the provisions of this Agreement hereby shall automatically apply thereto as if the same were identified on Schedule 1 as of the date hereof and Pledgor shall give the Collateral Agent prompt written notice thereof.

16. Modifications for New Collateral. Pledgor shall amend Schedule 1 to include any future Collateral as contemplated by Sections 1 and 15 hereof and Pledgor shall execute any documents or instruments required in order to modify this Agreement as provided by this Section 16, including, without limitation, the execution of a notice of grant, as set forth in Exhibit B for Copyrights, Exhibit C for Patents and Exhibit D for Trademarks; provided, that any such modification to Schedule 1 or any such notice of grant shall be effective without the signature of Pledgor.

17. 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, Pledgor shall have the right to terminate this Agreement. Upon written request of Pledgor, the Collateral Agent shall promptly execute and deliver to Pledgor all deeds, assignments, and other instruments as may be necessary or proper to release the Collateral Agent's security interest in the Collateral and to re-vest in Pledgor full title to the Collateral, subject to any disposition thereof that may have been made by the Collateral Agent, for the

benefit of the Secured Parties, pursuant hereto. Pledgor will indemnify the Collateral Agent in all respects for all costs incurred by the Collateral Agent in connection with such termination.

18. Maximum Liability of Pledgor. Anything in this Agreement to the contrary notwithstanding, in no event shall the amount of the Obligations secured by this Agreement exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of Pledgor from other affiliates of 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.

19. No Waiver. No course of dealing between Pledgor and the Collateral Agent or any Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any such Secured Party, any right, power or privilege hereunder or under any of the Indenture Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

20. Remedies Cumulative. All of the rights and remedies of the Collateral Agent and the Secured Parties with respect to the Collateral, whether established hereby or by the Indenture Documents, or by any other agreements or by law shall be cumulative and may be executed singularly or concurrently.

21. Severability. The provisions of this Agreement are severable, and, if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

22. Modifications. This Agreement may be amended or modified only by a writing signed by Pledgor and the Collateral Agent. In the event that any provision of this Agreement is deemed to be inconsistent with any provision of any other document, other than the Indenture, the provisions of this Agreement shall control.

23. Assignment and Successors. This Agreement shall not be assigned by Pledgor without the prior written consent of the Collateral Agent. This Agreement shall bind the successors and permitted assigns of Pledgor and shall benefit the respective successors and assigns of the Collateral Agent and the Secured Parties. Any attempted assignment or transfer without the prior written consent of the Collateral Agent shall be null and void.

24. Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, (i) if to Pledgor, mailed or delivered to it, addressed care of Kratos Defense and Security Solutions, Inc. at the address specified in Section 11.02 of the Indenture, or at such other address as shall be designated by the Pledgor in a written notice to each of the other parties, or (ii) if to the Collateral Agent or any Secured Party, mailed or delivered to it, addressed to the address of the Collateral Agent or the Trustee specified in Section 11.02 of the Indenture 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 mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that notices from Pledgor to the Collateral Agent or any Secured Party pursuant to any of the provisions hereof shall not be effective until received by the Collateral Agent or such Secured Party.

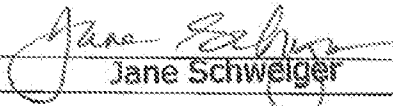
25. Governing Law; Submission to Jurisdiction. The provisions of this Agreement and the respective rights and duties of Pledgor, the Collateral Agent and the Secured Parties hereunder shall be governed by and construed in accordance with New York law, without regard to principles of conflicts of laws that would result in the application of the law of any other state. Pledgor 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, any Indenture Document or any related document. Pledgor 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. Pledgor agrees that a final, nonappealable judgment in any such action or proceeding in any state or federal court in the State of New York 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. PLEDGOR, 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 COLLATERAL AGENT, THE SECURED PARTIES, COMPANY AND PLEDGOR, 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 THEREWITH OR THE TRANSACTIONS RELATED THERETO.

Address: Wilmington Trust FSB
Corporate Capital Markets
50 South Sixth St, Ste 1290
Minneapolis, MN 55402

WILMINGTON TRUST FSB,
as Collateral Agent

By: 
Name: Jane Schweiger
Title: Vice President

SCHEDULE 1
INTELLECTUAL PROPERTY

A. PATENTS

<u>Company</u>	<u>Patent</u>	<u>Registration Date</u>	<u>Status</u>	<u>Patent No.</u>
SYS	Flow Measuring Device Based on a Predetermined Class of Liquid	August 26, 2003	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 Membranes Capacitor Microsensor and Microsensor Array and Method of Making Same	October 3, 2006	Active	7,115,969
SYS	Sensor and Sensor Array Having Improved Selectivity	December 20, 2005	Active	6,977,511
SYS	Continuously Adaptive Digital Video Compression System and Method for a Web Streamer	July 18, 2000	Active	6,091,777

B. TRADEMARKS

<u>Company</u>	<u>Trademark</u>	<u>Filing Date</u>	<u>Registration Date</u>	<u>Status</u>	<u>Registration No.</u>
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

EXHIBIT A
FORM OF ASSIGNMENT

THIS DOCUMENT SHALL BE HELD BY COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE INTELLECTUAL PROPERTY SECURITY AGREEMENT (THE "AGREEMENT"), DATED AS OF MAY 19, 2010, EXECUTED BY [_____] A[N] [_____] ("PLEDGOR"), IN FAVOR OF WILMINGTON TRUST FSB, AS COLLATERAL AGENT FOR THE SECURED PARTIES, AS DEFINED IN THE AGREEMENT (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "COLLATERAL AGENT"). BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF COLLATERAL AGENT CERTIFIES THAT AN EVENT OF DEFAULT, AS DEFINED IN THE AGREEMENT, HAS OCCURRED AND THAT COLLATERAL AGENT HAS ELECTED TO TAKE POSSESSION OF THE COLLATERAL, AS DEFINED BELOW, AND TO RECORD THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE OR THE UNITED STATES COPYRIGHT OFFICE, AS APPLICABLE, OR IN ANY APPROPRIATE OFFICE IN ANY FOREIGN JURISDICTION IN WHICH SUCH PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY INTEREST IS REGISTERED, OR UNDER WHOSE LAWS SUCH PROPERTY INTEREST HAS BEEN GRANTED. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE OR THE UNITED STATES COPYRIGHT OFFICE, AS APPLICABLE, OR IN ANY APPROPRIATE OFFICE IN ANY FOREIGN JURISDICTION IN WHICH SUCH PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY INTEREST IS REGISTERED, OR UNDER WHOSE LAWS SUCH PROPERTY INTEREST HAS BEEN GRANTED, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

WILMINGTON TRUST FSB,
as Collateral Agent

By: _____
Name: _____
Title: _____

ASSIGNMENT

WHEREAS, [_____] a[n] [_____] ("Pledgor"), is the owner of the Collateral, as hereinafter defined;

WHEREAS, Pledgor has executed an Intellectual Property Security Agreement, dated as of May 19, 2010 (as the same may from time to time be amended, restated or otherwise modified, the "Agreement"), in favor of WILMINGTON TRUST FSB as Collateral Agent for the Secured Parties, as defined in the Agreement (together with its successors and assigns, the "Collateral Agent"), pursuant to which Pledgor has granted to the Collateral Agent, for the

benefit of the Secured Parties, a security interest in the Collateral as security for the Obligations, as defined in the Agreement;

WHEREAS, the Agreement provides that the security interest in the Collateral is effective as of the date of the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence of an Event of Default, as defined in the Agreement, and the Collateral Agent's election to take actual title to the Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Pledgor, its successors and assigns, subject to the limitations stated in the paragraph immediately following, does hereby transfer, assign and set over unto the Collateral Agent, for the benefit of the Secured Parties, and their respective successors, transferees and assigns, collectively, all of Pledgor'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 1 hereto (as such Schedule 1 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 Pledgor connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; (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; and (i) Proceeds of any of the foregoing (collectively, the "Collateral").

This Assignment shall be effective only upon certification of an authorized officer of the Collateral Agent, as provided above, that (a) an Event of Default, as defined in the Agreement, has occurred, and (b) the Collateral Agent, on behalf of the Secured Parties, has elected to take actual title to the Collateral.

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized officer on May 19, 2010.

[_____]

By: _____

Name: _____

Title: _____

[Assignment]

TRADEMARK
REEL: 004225 FRAME: 0478

EXHIBIT B
FORM OF NOTICE OF GRANT FOR COPYRIGHTS

COPYRIGHT SECURITY AGREEMENT

THIS COPYRIGHT SECURITY AGREEMENT dated as of [_____] (as amended, restated or otherwise modified from time to time, this "Agreement") between [Name of Pledgor], a _____ (the "Pledgor") _____, hereby grants to Wilmington Trust FSB as Collateral Agent (the "Pledgee").

W I T N E S S E T H

WHEREAS, Pledgor and the Pledgee are party to an Intellectual Property Security Agreement dated as of the date hereof (the "Security Agreement") pursuant to which the Pledgor is required to execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the premises and as provided in the Security Agreement, the Pledgor hereby agrees as follows:

Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning provided to such terms in the Security Agreement.

Grant and Reaffirmation of Grant of Security Interest in Copyright Collateral. The Pledgor hereby gives notice that pursuant to the Security Agreement, the Pledgor has pledged and granted to the Pledgee, or hereby does so pledge and grant, a security interest in all of the Pledgor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Copyright Collateral"):

- (a) all United States and foreign copyrights or similar proprietary rights, and all applications for any of the foregoing (collectively, "Copyrights"), including, but not limited to: (i) each registration and application referred to on Schedule I hereto (as such schedule may be amended or supplemented from time to time), (ii) all rights, title and interest in and to all copyrightable subject matter in various published and unpublished works of authorship including, without limitation, computer programs, computer databases, other computer software layouts, trade dress, drawings, designs, writings, and formulas (iii) all derivative works and other works protectable by copyright, which are presently, or in the future may be, owned, created (as a work for hire for the benefit of Grantor), authored (as a work for hire for the benefit of Grantor), or acquired by the Grantor, in whole or in part, (iv) all rights corresponding thereto throughout the world, (v) all renewals and extensions thereof, throughout the world, including the right (but not the obligation) to renew and extend such copyright registrations and to register works protectable by copyright (vi) all rights to sue for past, present and future infringements thereof, (vii) all licenses, claims, damages, and proceeds of suit arising therefrom, and (viii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit; and

(b) all agreements providing for the granting of any right in or to Copyrights (whether the Grantor is licensee or licensor thereunder) including those referred to on Schedule I hereto (collectively, "Copyright Licenses").

The Pledgor hereby gives notice of its grant of a security interest in such Copyright Collateral.

Security Agreement. The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Pledgee pursuant to the Security Agreement and the Pledgor hereby acknowledges and affirm that the rights and remedies of the Pledgee with respect to the security interest in the Copyright Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control.

Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to its conflicts of law provisions (other than Section 5-1401 and Section 5-1402 of the New York General Obligation Laws).

Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[Remainder of this page intentionally left blank; signature page follows.]

* * *

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF PLEDGOR]
as Pledgor

By: _____
Name:
Title:

Accepted and Agreed:

WILMINGTON TRUST FSB
as Pledgee

By: _____
Name:
Title:

[Signature Page to Copyright Security Agreement]

SCHEDULE 1 TO COPYRIGHT SECURITY AGREEMENT

EXHIBIT C
FORM OF NOTICE OF GRANT FOR PATENTS

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT dated as of [____] (as amended, restated or otherwise modified from time to time, this "Agreement") between [Name of Pledgor], a _____ (the "Pledgor") _____, hereby grants to Wilmington Trust FSB as Collateral Agent (the "Pledgee").

W I T N E S S E T H

WHEREAS, Pledgor and the Pledgee are party to an Intellectual Property Security Agreement dated as of the date hereof (the "Security Agreement") pursuant to which the Pledgor is required to execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the premises and as provided in the Security Agreement, the Pledgor hereby agrees as follows:

Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning provided to such terms in the Security Agreement.

Grant and Reaffirmation of Grant of Security Interest in Patent Collateral. The Pledgor hereby gives notice that pursuant to the Security Agreement, the Pledgor has pledged and granted to the Pledgee, or hereby does so pledge and grant, a security interest in all of the Pledgor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing (collectively, "Patents"), including, but not limited to: (i) each patent and patent application referred to on Schedule I hereto (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) all rights corresponding thereto throughout the world, (iv) all inventions and improvements described therein, (v) all rights to sue for past, present and future infringements thereof, (vi) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit; and

(b) all agreements providing for the granting of any right in or to Patents (whether the Grantor is licensee or licensor thereunder) including those referred to on Schedule I hereto (collectively, "Patent Licenses").

The Pledgor hereby gives notice of its grant of a security interest in such Patent Collateral.

Security Agreement. The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Pledgee pursuant to the Security Agreement and the Pledgor hereby acknowledges and affirm that the rights and remedies of the Pledgee with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control.

Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to its conflicts of law provisions (other than Section 5-1401 and Section 5-1402 of the New York General Obligation Laws).

Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[Remainder of this page intentionally left blank; signature page follows.]

* * *

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF PLEDGOR]
as Pledgor

By: _____
Name:
Title:

Accepted and Agreed:

WILMINGTON TRUST FSB
as Pledgee

By: _____
Name:
Title:

[Signature Page to Patent Security Agreement]

SCHEDULE 1 TO PATENT SECURITY AGREEMENT

EXHIBIT D
FORM OF NOTICE OF GRANT FOR TRADEMARKS

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT dated as of [_____] (as amended, restated or otherwise modified from time to time, this "Agreement") between [Name of Pledgor], a _____ (the "Pledgor") _____, hereby grants to Wilmington Trust FSB as Collateral Agent (the "Pledgee").

W I T N E S S E T H

WHEREAS, Pledgor and the Pledgee are party to an Intellectual Property Security Agreement dated as of the date hereof (the "Security Agreement") pursuant to which the Pledgor is required to execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the premises and as provided in the Security Agreement, the Pledgor hereby agrees as follows:

Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning provided to such terms in the Security Agreement.

Grant and Reaffirmation of Grant of Security Interest in Trademark Collateral. The Pledgor hereby gives notice that pursuant to the Security Agreement, the Pledgor has pledged and granted to the Pledgee, or hereby does so pledge and grant, a security interest in all of the Pledgor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all United States and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certifications marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing, including, but not limited to: (i) the registrations and applications referred to on Schedule I hereto, (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing including, without limitation, licenses, royalties, income payments, claims, damages and proceeds of suit (collectively, "Trademarks"); and

(b) any and all agreements providing for the granting of any right in or to Trademarks (whether the Pledgor is licensee or licensor thereunder) including those referred to on Schedule I hereto (collectively, "Trademark Licenses").

The Pledgor hereby gives notice of its grant of a security interest in such Trademark Collateral.

Security Agreement. The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Pledgee pursuant to the Security Agreement and the Pledgor hereby acknowledges and affirm that the rights and remedies of the Pledgee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control.

Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to its conflicts of law provisions (other than Section 5-1401 and Section 5-1402 of the New York General Obligation Laws).

Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[Remainder of this page intentionally left blank; signature page follows.]

* * *

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF PLEDGOR]
as Pledgor

By: _____
Name:
Title:

Accepted and Agreed:

WILMINGTON TRUST FSB
as Pledgee

By: _____
Name:
Title:

[Signature Page to Trademark Security Agreement]

SCHEDULE 1 TO TRADEMARK SECURITY AGREEMENT