UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly period ended June 30, 2005

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file numbers 001-14141 and 333-46983

L-3 COMMUNICATIONS HOLDINGS, INC.

L-3 COMMUNICATIONS CORPORATION

(Exact names of registrants as specified in their charters)

Delaware	**13-3937434 and 13-3937436**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Nos.)
600 Third Avenue, New York NY	**10016**
(Address of principal executive offices)	(Zip Code)

(212) 697-1111
(Telephone number)

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

☑ Yes ☐ No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

☑ Yes ☐ No

There were 119,594,681 shares of L-3 Communications Holdings, Inc. common stock with a par value of $0.01 outstanding as of the close of business on July 29, 2005.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

INDEX TO QUARTERLY REPORT ON FORM 10-Q
For quarterly period ended June 30, 2005

PART I — FINANCIAL INFORMATION

PART I — FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	June 30, 2005	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 410,737	$ 653,419
Contracts in process	2,308,322	1,979,027
Deferred income taxes	107,158	127,066
Other current assets	78,473	48,812
Total current assets	2,904,690	2,808,324
Property, plant and equipment, net	591,746	556,972
Goodwill	4,558,114	4,054,814
Identifiable intangible assets	197,044	185,804
Deferred debt issue costs	36,977	35,997
Other assets	169,408	138,854
Total assets	$ 8,457,979	$ 7,780,765
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, trade	$ 306,621	$ 281,456
Accrued employment costs	330,187	304,257
Accrued expenses	93,009	69,678
Billings in excess of costs and estimated profits.	166,736	138,308
Customer advances	183,396	107,334
Income taxes	82,937	84,394
Other current liabilities	246,097	190,413
Total current liabilities	1,408,983	1,175,840
Pension and postretirement benefits	438,693	409,089
Other liabilities	187,354	128,733
Long-term debt	2,192,302	2,189,806
Total liabilities	4,227,332	3,903,468
Commitments and contingencies		
Minority interests	79,222	77,536
Shareholders' equity:		
L-3 Holdings' common stock $0.01 par value; authorized 300,000,000 shares, issued and outstanding 119,506,306 and 115,681,992 shares (L-3 Communications' common stock: $0.01 par value, 100 shares authorized, issued and outstanding)	2,943,186	2,780,458
Retained earnings	1,288,361	1,095,929
Unearned compensation	(6,657)	(3,932)

Accumulated other comprehensive loss	(73,465)	(72,694)
Total shareholders' equity	4,151,425	3,799,761
Total liabilities and shareholders' equity	$ 8,457,979	$ 7,780,765

See notes to unaudited condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Three Months Ended June 30,	
	2005	2004
Sales:		
Contracts, primarily U.S. Government	$ 1,866,738	$ 1,508,865
Commercial, primarily products	208,809	171,120
Total sales	2,075,547	1,679,985
Costs and expenses:		
Contracts, primarily U.S. Government	1,656,946	1,350,484
Commercial, primarily products:		
Cost of sales	135,075	99,836
Selling, general and administrative expenses	39,484	34,469
Research and development expenses	19,118	17,078
Total costs and expenses	1,850,623	1,501,867
Operating income	224,924	178,118
Other (income) expense, net	(2,848)	2,362
Interest expense	38,502	35,390
Minority interests in net income of consolidated subsidiaries	2,176	1,672
Income before income taxes	187,094	138,694
Provision for income taxes	67,728	50,623
Net income	$ 119,366	$ 88,071
L-3 Holdings' earnings per common share:		
Basic	$ 1.00	$ 0.83
Diluted	$ 0.99	$ 0.78
L-3 Holdings' weighted average common shares outstanding:		
Basic	118,812	106,070
Diluted	120,988	116,977

See notes to unaudited condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Six Months Ended June 30,	
	2005	2004
Sales:		
Contracts, primarily U.S. Government	$ 3,626,228	$ 2,890,138
Commercial, primarily products	411,861	311,491
Total sales	4,038,089	3,201,629
Costs and expenses:		
Contracts, primarily U.S. Government	3,231,240	2,589,497

Commercial, primarily products:		
Cost of sales	268,175	182,853
Selling, general and administrative expenses	80,998	67,047
Research and development expenses	33,547	32,512
Total costs and expenses	3,613,960	2,871,909
Operating income	424,129	329,720
Other (income) expense, net	(5,544)	3,415
Interest expense	76,612	71,925
Minority interests in net income of consolidated subsidiaries	5,391	2,287
Income before income taxes	347,670	252,093
Provision for income taxes	125,857	92,014
Net income	$ 221,813	$ 160,079
L-3 Holdings' earnings per common share:		
Basic	$ 1.89	$ 1.52
Diluted	$ 1.84	$ 1.42
L-3 Holdings' weighted average common shares outstanding:		
Basic	117,576	105,316
Diluted	120,269	116,448

See notes to unaudited condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Six Months Ended June 30,	
	2005	2004
Operating activities:		
Net income	$ 221,813	$ 160,079
Depreciation	51,241	44,974
Amortization of intangibles and other assets	16,602	13,815
Amortization of deferred debt issue costs (included in interest expense)	2,818	3,616
Deferred income tax provision	50,869	48,697
Minority interests in net income of consolidated subsidiaries	5,391	2,287
Contributions to employee savings plans in L-3 Holdings' common stock	33,709	24,329
Other non-cash items	(255)	4,266
Subtotal	382,188	302,063
Changes in operating assets and liabilities, excluding acquired amounts:		
Contracts in process	(172,978)	(132,554)
Other current assets	(18,547)	(14,701)
Other assets	(18,173)	(3,821)
Accounts payable, trade	9,821	48,538
Accrued employment costs	26,584	15,273
Accrued expenses	8,014	(10,757)
Billings in excess of costs and estimated profits	6,265	4,234
Customer advances	48,699	7,099
Income taxes	51,693	15,433
Other current liabilities	8,458	(208)
Pension and postretirement benefits	25,126	17,565
Other liabilities	7,674	(2,511)
All other operating activities, principally foreign currency translation	(4,281)	(1,694)
Subtotal	(21,645)	(58,104)
Net cash from operating activities	360,543	243,959
Investing activities:		
Business acquisitions, net of cash acquired	(586,315)	(131,333)
Capital expenditures	(44,509)	(32,878)
Dispositions of property, plant and equipment	654	8,846
Other investing activities	(2,945)	(4,020)
Net cash used in investing activities	(633,115)	(159,385)

Financing activities:		
Redemption of senior subordinated notes	—	(187)
Debt issue costs	(4,157)	(1,812)
Cash dividends paid on L-3 Holdings' common stock	(29,381)	(21,167)
Proceeds from employee stock purchase plan	20,971	14,881
Proceeds from exercise of stock options	52,462	29,042
Distributions paid to minority interests	(3,705)	(2,989)
Other financing activities	(6,300)	(9,253)
Net cash from financing activities	29,890	8,515
Net (decrease) increase in cash	(242,682)	93,089
Cash and cash equivalents, beginning of the period	653,419	134,876
Cash and cash equivalents, end of the period	$ 410,737	$ 227,965

See notes to unaudited condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands, except per share data)

1. Description of Business

L-3 Communications Holdings, Inc. conducts its operations and derives all of its operating income and cash flow from its wholly-owned subsidiary, L-3 Communications Corporation (L-3 Communications). L-3 Communications Holdings, Inc. (L-3 Holdings and, together with its subsidiaries, L-3 or the Company) is a leading supplier of a broad range of products used in a substantial number of aerospace and defense platforms. L-3 also is a major supplier of subsystems on many platforms, including those for secure communication networks and communications products, mobile satellite communications, information security systems, shipboard communications, naval power systems, missiles and munitions, telemetry and instrumentation and airport security systems. The Company also is a prime system contractor for aircraft modernization and operations & maintenance (O&M), Intelligence, Surveillance and Reconnaissance (ISR) collection systems, training and simulation, and government support services. The Company's customers include the U.S. Department of Defense (DoD) and its prime contractors, the U.S. Department of Homeland Security (DHS), U.S. Government intelligence agencies, major aerospace and defense contractors, allied foreign government ministries of defense, commercial customers and certain other U.S. federal, state and local government agencies.

The Company has four reportable segments: (1) Secure Communications & ISR; (2) Training, Simulation & Government Services; (3) Aircraft Modernization, O&M and Products; and (4) Specialized Products.

The Secure Communications & ISR segment provides products and services for the global ISR market as well as secure, high data rate communication systems and equipment primarily for reconnaissance and surveillance applications. The Company believes that these products and services are critical elements for a substantial number of major communication, command and control, intelligence gathering and space systems. These products and services are used to connect a variety of airborne, space, ground and sea-based communication systems and are used in the transmission, processing, recording, monitoring and dissemination functions of these communication systems. The Training, Simulation & Government Services segment provides maintenance and logistics support for training devices, communications systems support and engineering services, teaching and training services, and marksmanship training systems and services. The Aircraft Modernization, O&M and Products segment provides specialized aircraft modernization and upgrades, maintenance and logistics support services and aviation products, including traffic alert and collision avoidance systems, terrain awareness warning systems, cockpit voice and flight data recorders, advanced cockpit avionics products and ruggedized custom cockpit displays. The Specialized Products segment provides a broad range of products, including naval warfare products, telemetry and navigation products, sensors and imaging products, premium fuzing products, security systems, training devices and microwave components.

On July 29, 2005, the Company acquired all of the outstanding stock of The Titan Corporation (Titan). The total transaction value was approximately $2,800,000. See Note 17 for a description of the acquisition of Titan and the related financings.

2. Basis of Presentation

These unaudited condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements of L-3 Holdings and L-3 Communications for the fiscal year ended December 31, 2004, which are included in their Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

The unaudited condensed consolidated financial statements comprise the unaudited condensed consolidated financial statements of L-3 Holdings and L-3 Communications. L-3 Holdings' only asset is its investment in the common stock of L-3 Communications, its wholly-owned subsidiary, and its only obligations are the 3% Convertible Contingent Debt Securities (CODES) due 2035, which were issued on July 29, 2005, and its guarantee of borrowings under the senior credit facility of L-3 Communications. All issuances of and conversions into L-3 Holdings equity securities, including grants of stock options and restricted stock by L-3 Holdings to employees of L-3 Communications have been reflected in the unaudited condensed consolidated financial statements of L-3 Communications. As a result, the unaudited condensed consolidated financial positions, results of operations and cash flows of L-3 Holdings and L-3 Communications are substantially the same. See Note 18 for additional information.

The unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles in the United States of America for a complete set of financial statements. In the opinion of management, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair presentation of the results for the interim periods presented have been included. The results of operations for the interim periods are not necessarily indicative of results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and costs and expenses during the reporting period. The most significant of these estimates and assumptions relate to contract revenues, costs and profits or losses, market values for inventories reported at lower of cost or market, pension and postretirement benefit obligations, recoverability and valuation of long-lived assets, including identifiable intangible assets and goodwill, income taxes, including the valuations of deferred tax assets, litigation liabilities and environmental obligations. Changes in estimates are reflected in the periods during which they become known. Actual amounts will differ from these estimates. For a more complete discussion of these estimates and assumptions, see the Annual Report of L-3 Holdings and L-3 Communications on Form 10-K for the fiscal year ended December 31, 2004.

The Company presents its sales and costs and expenses in two categories on the statements of operations: "Contracts, primarily U.S. Government" and "Commercial, primarily products."

Contracts, primarily U.S. Government. Sales and costs and expenses for the Company's businesses that are primarily U.S. Government contractors are presented as "Contracts, primarily U.S. Government." The sales for the Company's U.S. Government contractor businesses are transacted using written revenue arrangements, or contracts, which primarily require the Company to produce tangible assets and, or provide services related to the production of tangible assets according to the buyer's specifications and generally to design, develop, manufacture, modify, upgrade, test and integrate complex aerospace and electronic equipment, and to provide related engineering and technical services. Such buyers are predominantly the U.S. Department of Defense and other agencies of the U.S. Government, allied foreign government ministries of defense and defense prime contractors. These contracts are covered by the American Institute of Certified Public Accountants Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain*

Production-Type Contracts (SOP 81-1), Accounting Research Bulletin No. 43, Chapter 11, Section A, *Government Contracts, Cost-Plus-Fixed Fee Contracts* (ARB 43) and Accounting Research Bulletin No. 45, *Long-Term Construction Type Contracts* (ARB 45). Sales reported under "Contracts, primarily U.S. Government" also include certain sales from contracts with domestic and foreign commercial customers, which also are within the scope of SOP 81-1 and ARB 45, and certain fixed-price contracts that require the Company to perform services that are not related to the production of tangible assets, which are recognized in accordance with the SEC's SAB No. 104, *Revenue Recognition* (SAB 104).

Commercial, primarily products. Sales and costs and expenses for the Company's businesses whose customers are primarily commercial business enterprises are presented as "Commercial, primarily products." Most of these sales are recognized in accordance with SAB No. 104, and substantially all of the related revenue

(dollars in thousands, except per share data)

arrangements are not within the scope of SOP 81-1, ARB 43 or ARB 45. The Company's commercial businesses are substantially comprised of Aviation Communication & Surveillance Systems (ACSS), Aviation Recorders, Microwave Components, Security and Detection Systems, Avionics Systems and Infrared Products.

Certain reclassifications have been made to conform prior period amounts to the current period presentation.

3. Stock-Based Compensation

The Company accounts for employee stock-based compensation under the recognition and measurement principles of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees.* Compensation expense for employee stock-based compensation is recognized on the statement of operations based on the excess, if any, of the fair value of the L-3 Holdings' stock at the grant date of the award or other measurement date over the amount an employee must pay to acquire the stock. When the exercise price for stock-based compensation arrangements granted to employees equals or exceeds the fair value of the L-3 Holdings common stock at the date of grant, the Company does not recognize compensation expense. The Company elected not to adopt the fair value based method of accounting for stock-based employee compensation as permitted by the Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards (SFAS) No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), as amended by SFAS No. 148, *Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS No. 123.* Had the Company adopted the fair value based method provisions of SFAS 123 for all of its stock-based compensation, it would have recorded a non-cash expense for the vested portion of the estimated fair value of the stock-based compensation arrangements that the Company has granted to its employees. Stock-based employee compensation is a non-cash expense, because the Company settles its stock-based compensation obligations by issuing shares of common stock instead of settling such obligations with cash payments. All of the stock options granted to employees by the Company are non-qualified stock options under U.S. Income Tax regulations. As discussed below in Note 16, SFAS 123 was revised in December 2004.

The table below presents the effect on net income and L-3 Holdings earnings per share (EPS), had the Company elected to recognize stock-based compensation expense in accordance with the fair value based method of accounting of SFAS 123.

	Three Months Ended June 30,	
	2005	2004
Net income, reported	$ 119,366	$ 88,071
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	668	589
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(7,043)	(8,251)
Net income, pro forma	$ 112,991	$ 80,409
L-3 Holdings Basic EPS:		
As reported	$ 1.00	$ 0.83
Pro forma	$ 0.95	$ 0.76
L-3 Holdings Diluted EPS:		
As reported	$ 0.99	$ 0.78
Pro forma	$ 0.93	$ 0.74

	Six Months Ended June 30,	
	2005	2004
Net income, reported	$ 221,813	$ 160,079
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	1,336	1,135
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(13,239)	(14,654)
Net income, pro forma	$ 209,910	$ 146,560
L-3 Holdings Basic EPS:		
As reported	$ 1.89	$ 1.52
Pro forma	$ 1.79	$ 1.39
L-3 Holdings Diluted EPS:		
As reported	$ 1.84	$ 1.42
Pro forma	$ 1.75	$ 1.35

4. Acquisitions

2005 Business Acquisitions. During the six months ended June 30, 2005, in separate transactions, the Company acquired seven businesses for an aggregate purchase price of $575,092 in cash, plus acquisition costs. Based on preliminary purchase price allocations, the goodwill recognized for these business acquisitions was $497,383, which was preliminarily assigned to the Specialized Products segment. Goodwill of $215,152 is expected to be deductible for income tax purposes. The 2005 business acquisitions, other than the acquisition of Titan (see Note 17), were financed with cash on hand. The purchase prices for the Marine Controls division of CAE, the Electron Dynamics Devices business of The Boeing Company, Mobile-Vision, Inc. and Advanced Laser Systems Technology, Inc.

are subject to adjustment based on the closing date net assets or net working capital of the respective business acquired. The Company completed the following business acquisitions during the six months ended June 30, 2005:

- Substantially all of the operations of the Marine Controls division of CAE on February 3, 2005, for $196,764 in cash. The business was renamed L-3 Communications MAPPS Inc. (Marine Automation and Power Plant Simulation, or MAPPS). The remaining business operations of MAPPS will be acquired following the receipt of required approvals. L-3 MAPPS has operations in Canada, the United States, the United Kingdom, Norway, Italy, India and Malaysia and is a global supplier of integrated marine control systems and products for warships, submarines and high-end ocean going commercial vessels worldwide.
- The Propulsion Systems business unit of General Dynamics Corporation on February 25, 2005 for $196,824 in cash, which includes an increase of $11,824 to the contractual purchase price based on final closing date net assets. The business was renamed L-3 Communications – Combat Propulsion Systems. The Combat Propulsion Systems business engineers, designs and manufactures engines, transmissions, suspension and turret drive systems for combat vehicles, including both tracked and wheeled vehicles. The acquired business also has a production center for Abrams tank components.
- The Electron Dynamics Devices business of The Boeing Company on February 28, 2005 for $90,000 in cash. The business was renamed L-3 Communications – Electron Technologies, Inc. The Electron Technologies business designs and produces space-qualified passive microwave devices, traveling wave tubes, amplifiers and electric propulsion and radio frequency products utilized in communications satellites, manned space programs and key commercial and defense systems.
- InfraredVision Technology Corporation (ITC), Mobile-Vision, Inc., Sonoma Design Group, Inc. (SDG), and Advanced Laser Systems Technology, Inc. (ALST) for an aggregate purchase price of $91,504 in cash, plus additional consideration, not to exceed $50,306, which is contingent primarily upon the financial performance of these acquired businesses for fiscal years ending on various dates in 2005 through 2008. Any such additional consideration will be accounted for as goodwill.

All of the business acquisitions are included in the Company's results of operations from their dates of acquisition. The assets and liabilities recorded in connection with the purchase price allocations for the acquisitions of Infrared Products, Cincinnati Electronics, L-3 Electronics Systems, D.P. Associates, Inc., and BAI Aerosystems, all of which were acquired during the second half of 2004, and MAPPS, Combat Propulsion Systems, Electron Technologies, Inc., ITC, Mobile-Vision, Inc., SDG and ALST, all of which were acquired during 2005, are based upon preliminary estimates of fair values for contracts in process, inventories, estimated costs in excess of estimated contract value to complete contracts in process in a loss position, identifiable intangibles, goodwill, plant and equipment and deferred income taxes. Actual adjustments will be based on the final purchase prices, including the payment of contingent consideration, if any, and final appraisals and other analyses of fair values, which are in process. The Company expects to complete the purchase price allocations during 2005. The Company does not expect the differences between the preliminary and final purchase price allocations for these business acquisitions to have a material impact on its results of operations or financial position.

(dollars in thousands, except per share data)

Aircraft Integration Systems Acquisition. In connection with the Company's acquisition of Aircraft Integration Systems (AIS) in March of 2002, the purchase price submitted by Raytheon Company (Raytheon) to the Company amounted to approximately $1,163,000. The Company believes that, in accordance with the terms of the AIS asset purchase agreement concerning the closing date balance sheet, the purchase price for AIS submitted by Raytheon should be reduced by $100,000 to $1,063,000. In accordance with the asset purchase agreement, the Company and Raytheon are in the formal process of engaging a neutral accountant to arbitrate the final purchase price. Any amount received by the Company for a reduction to the AIS purchase price will be recorded as a reduction to goodwill.

Unaudited Pro Forma Statement of Operations Data. Assuming the business acquisitions completed by the Company during the six months ended June 30, 2005 had all occurred on January 1, 2005, the unaudited pro forma sales, net income and diluted earnings per share would have been approximately $4,102,100, $218,700 and $1.82, respectively, for the six months ended June 30, 2005. Assuming the business acquisitions completed by the Company during the period from January 1, 2004 to June 30, 2005 had all occurred on January 1, 2004, the unaudited pro forma sales, net income and diluted earnings per share would have been approximately $3,572,100, $168,900 and $1.50, respectively, for the six months ended June 30, 2004. The unaudited pro forma results are based on various assumptions and are not necessarily indicative of the results of operations that would have actually occurred had the Company completed its business acquisitions on January 1, 2004 or January 1, 2005.

5. Contracts in Process

The components of contracts in process are presented in the table below.

	June 30, 2005	December 31, 2004
Billed receivables, less allowances of $15,949 and $16,541	$ 884,041	$ 781,931
Unbilled contract receivables	994,657	810,720
Less: unliquidated progress payments	(218,730)	(179,276)
Unbilled contract receivables, net	775,927	631,444
Inventoried contract costs, gross	477,045	432,741
Less: unliquidated progress payments	(43,839)	(50,927)
Inventoried contract costs, net	433,206	381,814
Inventories at lower of cost or market	215,148	183,838
Total contracts in process	$ 2,308,322	$ 1,979,027

Unbilled Contract Receivables. Unbilled contract receivables represent accumulated incurred costs and earned profits on contracts (revenue arrangements), which have been recorded as sales, but have not yet been billed to customers. The majority of unbilled contract receivables arise from the cost-to-cost percentage-of-completion (POC) method, which is used to record sales on certain fixed-price contracts as costs are incurred at amounts equal to the ratio of cumulative costs incurred to total estimated costs at completion, multiplied by total estimated contract revenue. Unbilled contract receivables from fixed price-type contracts are converted to billed receivables when amounts are invoiced to customers according to contractual billing terms, which generally occur when deliveries or other performance milestones are completed. To a lesser extent, unbilled contract receivables also

arise from cost reimbursable-type contracts and time & material-type contracts, for revenue amounts that have not been billed by the end of the accounting period due to the timing of preparation of invoices for customers.

Unliquidated Progress Payments. Unliquidated progress payments arise from fixed price-type contracts with the U.S. Government that contain progress payment clauses, and represent progress payment invoices which have been collected in cash, but have not yet been liquidated. Progress payment invoices are billed to the customer as contract costs are incurred at an amount generally equal to 75% to 80% of incurred costs. Unliquidated progress payments are liquidated as deliveries or other contract performance milestones are completed, at an amount equal to a percentage of the contract sales price for the items delivered or work performed, based on a contractual liquidation rate. Therefore, unliquidated progress payments are a contra asset account, and are classified against unbilled contract receivables if revenue for the underlying contract is recorded using the cost-to-cost POC method, and against inventoried contract costs if revenue is recorded using the units-of-delivery POC method.

(dollars in thousands, except per share data)

Inventoried Contract Costs. In accordance with SOP 81-1 and the AICPA Audit and Accounting Guide, *Audits of Federal Government Contractors*, the Company's inventoried contract costs include selling, general and administrative (SG&A) costs, independent research and development (IRAD) costs and bid and proposal (B&P) costs allocated to U.S. Government contracts (revenue arrangements) for which the U.S. Government is the end customer, because they are reimbursable indirect contract costs on revenue arrangements with the U.S. Government, pursuant to U.S. Government procurement regulations. The Company accounts for its SG&A, IRAD and B&P costs allocated to U.S. Government contracts as product costs, instead of period expenses and charges them to costs of sales when sales related to those contracts (revenue arrangements) are recognized. Therefore, such allocated indirect costs are included in inventoried contract costs prior to the recognition of cost of sales for the related contracts (revenue arrangements).

The tables below present a summary of SG&A, IRAD and B&P costs included in inventoried contract costs and the changes to them, including amounts used in the determination of costs and expenses for "Contracts, primarily U.S. Government." The cost data in the tables below does not include the SG&A and research and development expenses for the Company's businesses that are primarily not U.S. Government contractors, which are separately presented on the statements of operations under costs and expenses for "Commercial, primarily products" and are expensed as incurred.

	Three Months Ended June 30,	
	2005	2004
Amounts included in inventoried contract costs at beginning of period	$ 49,271	$ 41,954
Add: Amounts incurred during the period[1]	176,295	147,674
Less: Amounts charged to costs and expenses during the period	(175,680)	(146,320)
Amounts included in inventoried contract costs at end of period	$ 49,886	$ 43,308

	Six Months Ended June 30,	
	2005	2004
Amounts included in inventoried contract costs at beginning of period	$ 43,664	$ 38,024
Add: Amounts incurred during the period[2]	352,799	287,997
Less: Amounts charged to costs and expenses during the period	(346,577)	(282,713)
Amounts included in inventoried contract costs at end of period	$ 49,886	$ 43,308

(1) Incurred costs include IRAD and B&P costs of $40,670 for the three months ended June 30, 2005 and $38,166 for the three months ended June 30, 2004.

(2) Incurred costs include IRAD and B&P costs of $81,181 for the six months ended June 30, 2005 and $72,764 for the six months ended June 30, 2004.

Inventories at Lower of Cost or Market. The table below presents the components of Inventories at Lower of Cost or Market.

	June 30, 2005	December 31, 2004
Raw materials, components and sub-assemblies	$ 98,854	$ 89,959
Work in process	60,120	51,302
Finished goods	56,174	42,577
Total	$ 215,148	$ 183,838

(dollars in thousands, except per share data)

6. Goodwill and Identifiable Intangible Assets

Goodwill. During the first quarter of 2005, the Company completed its annual impairment test for the goodwill of each of the Company's reporting units, which resulted in no impairment losses.

The table below presents the changes in goodwill allocated to the Company's reportable segments during the six months ended June 30, 2005. At December 31, 2004, the goodwill of $175,248 allocated to Cincinnati Electronics, Inc., which was acquired on December 9, 2004, was preliminarily assigned to the Secure Communications & ISR segment. During the first quarter of 2005, the Company completed its evaluation of the segment classification for Cincinnati Electronics and assigned it to the Specialized Products segment.

	Secure Communications & ISR	Training, Simulation & Government Services	Aircraft Modernization, O&M and Products	Specialized Products	Consolidated Total
Balance January 1, 2005	$ 745,371	$ 564,065	$ 1,429,118	$ 1,316,260	$ 4,054,814
Business acquisitions, net of dispositions	(1,654)	2,606	5,285	497,063	503,300
Balance June 30, 2005	$ 743,717	$ 566,671	$ 1,434,403	$ 1,813,323	$ 4,558,114

During the six months ended June 30, 2005, goodwill was increased by a total of $503,300, which was comprised of (i) $492,136 for business acquisitions, net of dispositions, completed during the six months ended June 30, 2005 (See Note 4), (ii) $3,679 for additional purchase price payments for certain business acquisitions completed prior to January 1, 2005, related to final closing date net assets, and (iii) net increases of $7,485 primarily related to changes in estimates of fair value for acquired assets and liabilities assumed in connection with business acquisitions completed prior to January 1, 2005.

Identifiable Intangible Assets. Information on the Company's identifiable intangible assets that are subject to amortization are presented in the tables below. The Company has no indefinite-lived identifiable intangible assets.

	June 30, 2005		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Identifiable intangible assets that are subject to amortization:			
Customer relationships	$ 173,436	$ 25,810	$ 147,626
Technology	56,006	7,262	48,744
Non-compete agreements	2,000	1,326	674
Total	$ 231,442	$ 34,398	$ 197,044

	December 31, 2004		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Identifiable intangible assets that are subject to amortization:			
Customer relationships	$ 164,041	$ 17,709	$ 146,332
Technology	43,595	5,303	38,292
Non-compete agreements	2,000	820	1,180
Total	$ 209,636	$ 23,832	$ 185,804

The Company recorded amortization expense for its identifiable intangible assets of $5,365 for the three months ended June 30, 2005 and $3,754 for the three months ended June 30, 2004. The Company recorded amortization expense for its identifiable intangible assets of $10,566 for the six months ended June 30, 2005 and $7,507 for the six months ended June 30, 2004. Based on gross carrying amounts at June 30, 2005, the Company's estimate of amortization expense for identifiable intangible assets for the years ending December 31, 2005 through 2009 are presented in the table below.

Year Ending December 31,	Estimated Amortization Expense
2005	$ 21,743
2006	22,311
2007	21,058
2008	18,714

(dollars in thousands, except per share data)

2009	17,439

7. Other Current Liabilities and Other Liabilities

The components of other current liabilities are presented in the table below.

	June 30, 2005	December 31, 2004
Accrued product warranty costs	$ 50,338	$ 49,816
Estimated costs in excess of estimated contract value to complete contracts in process in a loss position	56,482	49,695
Accrued interest	42,890	29,871
Aggregate purchase price payable for acquired businesses	4,127	9,648
Deferred revenues	6,190	5,019
Current portion of net deferred gains from terminated interest rate swap agreements	3,284	3,284
Other	82,786	43,080
Total other current liabilities	$ 246,097	$ 190,413

The components of other liabilities are presented in the table below.

	June 30, 2005	December 31, 2004
Non-current portion of net deferred gains from terminated interest rate swap agreements	$ 19,837	$ 21,928
Accrued workers compensation	22,066	19,401
Non-current deferred tax liabilities	37,245	7,990
Fair value of interest rate swap agreements	—	2,036
Notes payable and capital lease obligations	10,689	13,911
Deferred compensation	28,753	13,636
Other non-current liabilities	68,764	49,831
Total other liabilities	$ 187,354	$ 128,733

The table below presents the changes in the Company's accrued product warranty costs.

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Balance at beginning of period	$ 49,816	$ 45,814
Business acquisitions during the period	2,014	342
Accruals for product warranties issued during the period	6,084	7,360
Accruals for product warranties existing before beginning of period[(1)]	801	1,748
Settlements made during the period	(8,377)	(11,021)
Balance at end of period	$ 50,338	$ 44,243

(1) Represents changes to estimated product warranty costs related to sales recognized prior to the beginning of the period.

8. Long-Term Debt

The components of long-term debt and a reconciliation to the carrying amount of long-term debt are presented in the table below.

	June 30, 2005	December 31, 2004
Borrowings under Senior Credit Facility	$ —	$ —
7 5/8% Senior Subordinated Notes due 2012	750,000	750,000
6 1/8% Senior Subordinated Notes due 2013	400,000	400,000
6 1/8% Senior Subordinated Notes due 2014	400,000	400,000
5 7/8% Senior Subordinated Notes due 2015	650,000	650,000

(dollars in thousands, except per share data)

Principal amount of long-term debt	$ 2,200,000	$ 2,200,000
Less: Unamortized discounts	(7,698)	(8,158)
Fair value of interest rate swap agreements	—	(2,036)
Carrying amount of long-term debt	$ 2,192,302	$ 2,189,806

On March 9, 2005, the Company entered into a new revolving five-year senior credit facility maturing on March 9, 2010. The new credit facility provided for total aggregate borrowings of up to $1,000,000. At the time the Company entered into this facility, the previously existing senior credit facility was terminated.

Available borrowings under the Company's senior credit facility at June 30, 2005 were $895,746, after reductions for outstanding letters of credit of $104,254. There were no outstanding borrowings under the senior credit facility at June 30, 2005.

Depending on current and expectations for future interest rate levels, the Company may enter into interest rate swap agreements to convert certain of its fixed interest rate debt obligations to variable interest rates, or terminate any existing interest rate swap agreements. The variable interest rate paid by the Company under the swap agreements is equal to (i) the variable rate basis, plus (ii) the variable rate spread. At June 30, 2005, the Company did not have any interest rate swap agreements in place.

The table below presents the Company's terminated interest rate swap agreements activity through June 30, 2005.

					Cash Proceeds Received (Paid) at Termination[1]			June 30, 2005	
Inception Date	Termination Date	Fixed Rate Debt Obligation	Notional Amount	Average Variable Rate Paid[2]	Interest Expense Reduction[3]	Deferred Gain (Loss)[4]	Total	Cumulative Recognized Deferred Gain (Loss)[5]	Balance of Unamortized Deferred Gain (Loss)[6]
March 2004	June 2005	$400,000 of 6 1/8% Senior Subordinated Notes due 2014	$ 100,000	5.1%	$ 394	$ (454)	$ (60)	$ (5)	$ (449)
April 2004	September 2004	$400,000 of 6 1/8% Senior Subordinated Notes due 2014	$ 100,000	2.9%	542	(542)	—	(44)	(498)
March 2004	September 2004	$400,000 of 6 1/8% Senior Subordinated Notes due 2014	$ 100,000	3.6%	415	(415)	—	(33)	(382)
July 2003	September 2003	$400,000 of 6 1/8% Senior Subordinated Notes due 2013	$ 400,000	2.1%	2,687	8,017	10,704	1,433	6,584
March 2003	June 2003	$750,000 of 7 5/8% Senior Subordinated Notes due 2012	$ 200,000	4.4%	1,578	6,727	8,305	1,526	5,201
January 2003	March 2003	$750,000 of 7 5/8% Senior Subordinated Notes due 2012	$ 200,000	4.0%	1,202	5,238	6,440	1,298	3,940
June 2002	September 2002	$750,000 of 7 5/8% Senior Subordinated Notes due 2012	$ 200,000	4.1%	1,762	12,173	13,935	3,448	8,725
November 2001	August 2002	$180,000 of 8½% Senior Subordinated Notes due 2008	$ 180,000	5.3%	1,186	(559)	627	(559)	—
July 2001	June 2002	$200,000 of 8% Senior Subordinated Notes due 2008	$ 200,000	3.9%	3,446	5,229	8,675	5,229	—

(dollars in thousands, except per share data)

$ 13,212	$ 35,414	$ 48,626	$ 12,293	$ 23,121

(1) Cash proceeds received at termination are included in cash from operating activities on L-3's statement of cash flows in the period received.

(2) Represents the average variable interest rate L-3 paid for the interest payment period in which the interest rate swap agreements were terminated.

(3) Represents the interest expense reduction for the interest payment period in which the interest rate swap agreements were terminated.

(4) Represents the mark-to-market value of the interest rate swap agreements at termination date, which is being amortized over the remaining term of the underlying debt instrument.

(5) Represents the cumulative amount of deferred gain (loss) recognized as a reduction (increase) to interest expense through June 30, 2005.

(6) The current portion of unamortized deferred gains at June 30, 2005, aggregating $3,284, is included in other current liabilities. The remaining $19,837 is included in other liabilities.

9. Comprehensive Income

Comprehensive income for the three and six months ended June 30, 2005 and 2004 is presented in the tables below.

	Three Months Ended June 30,	
	2005	2004
Net income	$ 119,366	$ 88,071
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of $1,197 tax benefit in 2005 and $443 tax benefit in 2004	(1,862)	(690)
Unrealized gains on hedging instruments, net of $430 tax provision in 2005 and $382 tax provision in 2004	670	593
Comprehensive income	$ 118,174	$ 87,974

	Six Months Ended June 30,	
	2005	2004
Net income	$ 221,813	$ 160,079
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of $2,379 tax benefit in 2005 and $852 tax benefit in 2004	(3,705)	(1,303)
Unrealized gains (losses) on hedging instruments, net of $1,882 tax provision in 2005 and $40 tax benefit in 2004	2,934	(69)
Plus: reclassification adjustment for losses realized in net income, net of $154 tax provision	—	246
Comprehensive income	$ 221,042	$ 158,953

The changes in the accumulated other comprehensive income (loss) balances for the six months ended June 30, 2005 and for the year ended December 31, 2004 are presented in the table below.

	Foreign currency translation adjustments	Unrealized losses on securities	Unrealized gains (losses) on hedging instruments	Minimum pension liability adjustments	Accumulated other comprehensive income (loss)
June 30, 2005					
Balance at January 1, 2005	$ 4,066	$ —	$ (1,292)	$ (75,468)	$ (72,694)
Period change	(3,705)	—	2,934	—	(771)
Balance at June 30, 2005	$ 361	$ —	$ 1,642	$ (75,468)	$ (73,465)
December 31, 2004					
Balance at January 1, 2004	$ (3,032)	$ (246)	$ 619	$ (70,178)	$ (72,837)
Period change	7,098	246	(1,911)	(5,290)	143
Balance at December 31, 2004.	$ 4,066	$ —	$ (1,292)	$ (75,468)	$ (72,694)

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10. L-3 Holdings Earnings Per Share

A reconciliation of basic and diluted earnings per share (EPS) is presented in the table below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Basic:				
Net income	$ 119,366	$ 88,071	$ 221,813	$ 160,079
Weighted average common shares outstanding	118,812	106,070	117,576	105,316
Basic earnings per share	$ 1.00	$ 0.83	$ 1.89	$ 1.52
Diluted:				
Net income	$ 119,366	$ 88,071	$ 221,813	$ 160,079
After-tax interest expense savings on the assumed conversion of convertible debt	—	2,762	—	5,523
Net income, including assumed conversion of convertible debt	$ 119,366	$ 90,833	$ 221,813	$ 165,602
Common and potential common shares:				
Weighted average common shares outstanding	118,812	106,070	117,576	105,316
Assumed exercise of stock options	7,311	9,943	8,456	9,530
Unvested restricted stock awards	225	81	225	165
Assumed purchase of common shares for treasury	(5,360)	(6,922)	(5,988)	(6,690)
Assumed conversion of convertible debt	—	7,805	—	8,127
Common and potential common shares	120,988	116,977	120,269	116,448
Diluted earnings per share	$ 0.99	$ 0.78	$ 1.84	$ 1.42

Non-cash Reductions to Diluted EPS From New Accounting Rule. On September 30, 2004, the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board (FASB) reached a consensus on EITF Issue No. 04-8, *The Effect of Contingently Convertible Debt on Diluted Earnings Per Share*, which addresses when the diluted effect of contingently convertible debt instruments should be included in diluted EPS. EITF 04-8 requires that contingently convertible debt instruments be included in the computation of diluted EPS regardless of whether the market price trigger has been met. EITF 04-8 also requires that prior period diluted EPS amounts presented for comparative purposes be restated. The Company adopted the provisions of EITF 04-8 during the 2004 fourth quarter. The impact of applying EITF 04-8 to L-3 Holdings $420,000 Senior Subordinated Convertible Contingent Debt Securities (2001 CODES) resulted in non-cash reductions to the Company's previously reported diluted EPS of $0.03, from $0.81 to $0.78, for the three months ended June 30, 2004 and $0.05, from $1.47 to $1.42, for the six months ended June 30, 2004. See Note 8 to the Company's audited consolidated financial statements included in the Annual Report of L-3 Holdings and L-3 Communications on Form 10-K for the year ended December 31, 2004 for a discussion of the conversion and redemption of the 2001 CODES, which occurred during October 2004.

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11. Cash Dividends on L-3 Holdings Common Stock

On February 10, 2005, L-3 Holdings' Board of Directors increased L-3's regular quarterly cash dividend by 25% to $0.125 per share. On March 15, 2005, L-3 Holdings paid cash dividends of $14,537 to shareholders of record at the close of business on February 22, 2005.

On April 26, 2005, L-3 Holdings' Board of Directors declared a regular quarterly dividend of $0.125 per share. On June 15, 2005, L-3 Holdings paid cash dividends of $14,816 to shareholders of record at the close of business on May 17, 2005.

On July 12, 2005, L-3 Holdings' Board of Directors declared a regular quarterly dividend of $0.125 per share, payable on September 15, 2005 to shareholders of record at the close of business on August 17, 2005.

12. Contingencies

U.S. Government Procurement Regulations. A substantial majority of the Company's revenues are generated from providing products and services under legally binding agreements, or contracts, with U.S. Government customers. The U.S. Government contracts are subject to extensive legal and regulatory requirements, and, from time to time, agencies of the U.S. Government investigate whether such contracts were and are being conducted in accordance with these requirements. The Company is currently cooperating with the U.S. Government on several investigations, including but not limited to, the investigation regarding the Combat Survivor/Evader Locator (CSEL) program. The Company does not anticipate that any of these investigations will have a material adverse effect on its consolidated financial position, results of operations or cash flows. However, under U.S. Government procurement regulations, an indictment of the Company by a federal grand jury could result in the Company being suspended for a period of time from eligibility for awards of new government contracts. A conviction could result in debarment from contracting with the federal government for a specified term. In addition, all of the Company's U.S. Government contracts are subject to audit and various pricing and cost controls, and include standard provisions for termination for the convenience of the U.S. Government or for default and are subject to cancellation if funds for contracts become unavailable. Foreign government contracts generally include comparable provisions relating to termination for the convenience of the relevant foreign government or default.

The Company's Interstate Electronics Corporation subsidiary (IEC) is under criminal investigation by the United States Army Criminal Investigation Command. The investigation relates to IEC's role on the CSEL program, on which IEC is a subcontractor to The Boeing Company (Boeing). IEC provides the global positioning system (GPS) modules to Boeing for the CSEL program. The GPS module includes a complex printed wiring board (PWB) that IEC purchased from two suppliers. The investigation appears to be focused on alleged manufacturing deficiencies in the PWBs and IEC's actions when it became aware of the suppliers potential manufacturing problems. The Company has conducted an internal investigation of this matter using outside counsel and currently believes that no criminal activity occurred. The Company is cooperating fully with the investigation and has agreed with Boeing to recall voluntarily all the PWBs.

Litigation Matters. Additionally, the Company has been periodically subject to litigation, claims or assessments and various contingent liabilities incidental to its businesses or assumed in connection with certain business acquisitions. In particular, at the time of the Titan acquisition, Titan had a number of pending legal matters and government investigations as further discussed in Note 17 below. With respect to the investigative actions, items of litigation, claims or assessments of which it is aware, management of the Company believes that, after taking into account existing provisions relating to

these matters, the ultimate resolution of such items will likely not have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company. However, the Company is a party to a number of material litigations and investigations, including the CSEL investigation described above and the matters described below, including those relating to Titan, for which an adverse determination could have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company.

L-3 Integrated Systems and its predecessors have been involved in a litigation with Kalitta Air arising from a contract to convert Boeing 747 aircraft from passenger configuration to cargo freighters. The lawsuit was brought in the northern district of California on January 31, 1997. The aircraft were modified using Supplemental Type Certificates (STCs) issued in 1988 by the Federal Aviation Administration (FAA) to Hayes International, Inc. (Hayes/Pemco) as a subcontractor to GATX/Airlog Company (GATX). Between 1988 and 1990, Hayes/Pemco modified five aircraft as a subcontractor to GATX using the STCs. Between 1990 and 1994, Chrysler Technologies Airborne Systems, Inc. (CTAS), a predecessor to L-3 Integrated Systems, performed as a subcontractor to GATX and modified an additional five aircraft using the STCs. Two of the aircraft modified by CTAS were owned by American International Airways, the predecessor to Kalitta Air. In 1996, the FAA determined that the engineering data provided by Hayes/Pemco supporting the STCs was inadequate and issued an Airworthiness Directive that effectively grounded the ten modified aircraft. The Kalitta Air aircraft have not been in revenue service since that date. The matter was tried in January 2001 against GATX and CTAS with the jury finding fault on the part of GATX, but rendering a unanimous defense verdict in favor of CTAS. Certain co-defendants had settled prior to trial. The U.S. Ninth Circuit Court of Appeals reversed and remanded the trial court's summary judgment rulings in favor of CTAS regarding a negligence claim by Kalitta Air, which asserts that CTAS as an expert in aircraft modification should have known that the STCs were deficient, and excluding

certain evidence at trial. In preparation for retrial, Kalitta Air submitted to us an expert report on damages that calculated Kalitta Air's damages at either $232,000 or $602,000, depending on different factual assumptions. The Company retained experts whose reports indicate that, even in the event of an adverse jury finding on the liability issues at trial, Kalitta Air has already recovered amounts from the other parties to the initial suit that the Company believes more than fully compensated Kalitta Air for any damages it incurred. CTAS' insurance carrier has accepted defense of the matter with a reservation of its right to dispute its obligations under the applicable insurance policy in the event of an adverse jury finding. The retrial of this matter began on January 18, 2005, and ended on March 2, 2005 with a deadlocked jury and mistrial. At trial, Kalitta Air claimed damages of $235,000. Although no date has been set for any further proceedings, a second retrial may be necessary in this matter. By order dated July 22, 2005, the Trial Court granted the Company's motion for judgment as a matter of law as to negligence, denied our motion for judgment as a matter of law as to negligent misrepresentation, and certified the decision for interlocutory appeal to the Ninth Circuit Court of Appeals. If accepted for review by the Ninth Circuit and possibly the California Supreme Court, all proceedings at the District Court will be stayed pending resolution of the appeals. The Company believes that it has meritorious defenses and intends to continue to vigorously defend this matter. However, litigation is inherently uncertain and it is possible that an adverse decision could be rendered, which could have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

On November 18, 2002, the Company initiated a proceeding against OSI Systems, Inc. (OSI) in the United States District Court sitting in the Southern District of New York seeking, among other things, a declaratory judgment that the Company had fulfilled all of its obligations under a letter of intent with OSI (the "OSI Letter of Intent"). Under the OSI Letter of Intent, the Company was to

negotiate definitive agreements with OSI for the sale of certain businesses the Company acquired from PerkinElmer, Inc. on June 14, 2002. On February 7, 2003, OSI filed an answer and counterclaims alleging, among other things, that the Company defrauded OSI, breached obligations of fiduciary duty to OSI and breached its obligations under the OSI Letter of Intent. OSI seeks damages in excess of $100,000 not including punitive damages. Under the OSI Letter of Intent, the Company proposed selling to OSI the conventional detection business and the ARGUS business that the Company acquired from PerkinElmer, Inc. Negotiations with OSI lasted for almost one year and ultimately broke down over issues regarding, among other things, intellectual property, product-line definitions, allocation of employees and due diligence. Discovery on the matter is essentially complete. Summary judgement motions filed by both sides were not granted by the court which found issues of fact for a jury to decide. A trial later this year, possibly as early as September or October 2005, is possible. The Company believes that the claims asserted by OSI in its suit are without merit and intends to defend against the OSI claims vigorously. However, litigation is inherently uncertain and it is possible that an adverse decision could be rendered, which could have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

On July 1, 2004, lawsuits were filed on behalf of the estates of 31 Russian children in the state courts of Washington, Arizona, California, Florida, New York and New Jersey against Honeywell, Honeywell TCAS, the Company, ACSS, Thales USA and Thales France. The suits are based on facts arising out of the crash over southern Germany of Bashkirian Airways Tupelov TU 154M aircraft and a DHL Boeing757 cargo aircraft. On-board the Tupelov aircraft were 12 crew members and 57 passengers, including 45 children. The Boeing aircraft carried a crew of three. Both aircraft were equipped with Honeywell/ACSS Model 2000, Change 7 Traffic Collision and Avoidance Systems. Sensing the other aircraft, the on-board DHL TCAS instructed the DHL pilot to climb, and the Tupelov on-board TCAS instructed the Tupelov pilot to descend. However, the Swiss air traffic controller ordered the Tupelov pilot to climb. The Tupelov pilot disregarded the on-board TCAS and put the Tupelov aircraft into a climb striking the DHL aircraft in midair at approximately 35,000 feet. All crew and passengers of both planes were lost. Investigations by the NTSB after the crash revealed that both TCAS units were performing as designed. The suits allege negligence and strict product liability based upon the design of the units and the training provided to resolve conflicting commands and seek compensatory damages. The Company's insurers have accepted defense of the matter and retained counsel. All parties have agreed to litigate this matter in the Federal Court in New Jersey and to dismiss the actions brought in the state courts.

On April 4, 2005, Lockheed Martin Corporation (Lockheed) filed a lawsuit against L-3 Integrated Systems in the Federal District Court for the Northern District of Georgia alleging misappropriation of proprietary information and breach of a license agreement. The lawsuit arises out of L-3 Integrated Systems' pursuit of the Republic of Korea's P-3 Lot II Maritime Patrol Aircraft Program as a subcontractor to Korean Airspace Industries. Lockheed claims that in connection with this subcontracting effort, L-3 Integrated Systems will use certain Lockheed proprietary information in violation of both a prior settlement agreement between Lockheed and the U.S. Government, and a license agreement between Lockheed and L-3 Integrated Systems because L-3 Integrated Systems is acting as a subcontractor (as opposed to a prime contractor) to the Republic of Korea. Lockheed is seeking an injunction prohibiting L-3 Integrated Systems from using the proprietary P-3 data in violation of the existing agreements and unspecified money damages. On the same date, L-3 Integrated Systems filed a lawsuit against Lockheed in the Federal District Court for the Northern District of Texas for, among other things, a declaratory judgment regarding L-3 Integrated Systems'

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right to use P-3 data and for breach of the license agreement by Lockheed. The Company believes that the claims asserted by Lockheed in its suit are without merit and intends to defend against the Lockheed claims vigorously.

See Note 17 for a discussion of additional contingencies and litigation matters relating to Titan.

13. Pension and Postretirement Benefits

The following table summarizes the components of net periodic benefit cost for the Company's pension and postretirement benefit plans.

	Three Months Ended June 30,			
	2005	2004	2005	2004
	Pension Plans		Postretirement Benefits	
Components of net periodic benefit cost:				
Service cost	$ 18,871	$ 14,616	$ 1,183	$ 1,248
Interest cost	17,851	14,131	2,184	2,169
Amortization of prior service cost	624	256	(1,053)	(582)
Expected return on plan assets	(16,548)	(13,087)	(335)	(269)
Recognized actuarial loss	3,945	3,374	160	189
Net periodic benefit cost	$ 24,743	$ 19,290	$ 2,139	$ 2,755

	Six Months Ended June 30,			
	2005	2004	2005	2004
	Pension Plans		Postretirement Benefits	
Components of net periodic benefit cost:				
Service cost	$ 36,361	$ 29,232	$ 2,575	$ 2,496
Interest cost	34,397	28,263	4,753	4,337
Amortization of prior service cost	1,203	511	(2,292)	(1,163)
Expected return on plan assets	(31,886)	(26,173)	(730)	(538)
Recognized actuarial loss	7,602	6,747	349	378
Net periodic benefit cost	$ 47,677	$ 38,580	$ 4,655	$ 5,510

The Company expects to contribute approximately $70,000 of cash to its pension plans in 2005, of which approximately $21,979 was contributed during the six months ended June 30, 2005.

14. Supplemental Cash Flow Information

	Six Months Ended June 30,	
	2005	2004
Interest paid	$ 62,406	$ 59,089
Income tax payments	24,785	28,567
Income tax refunds	1,653	1,937
Noncash transactions:		
Conversion of 5¼% convertible senior subordinated notes to L-3 Holdings' common stock	—	298,183

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15. Segment Information

The Company has four reportable segments: (1) Secure Communications & ISR, (2) Training, Simulation & Government Services, (3) Aircraft Modernization, O&M and Products and (4) Specialized Products, all of which are described in Note 1. The Company evaluates the performance of its operating segments and reportable segments based on their sales and operating income.

The tables below present sales, operating income, depreciation and amortization and total assets by reportable segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Sales:				
Secure Communications & ISR	$ 430,766	$ 414,358	$ 865,105	$ 799,783
Training, Simulation & Government Services	381,978	319,199	716,143	592,531
Aircraft Modernization, O&M and Products	681,756	551,544	1,359,897	1,074,427
Specialized Products	604,950	418,706	1,138,941	774,766
Elimination of intersegment sales	(23,903)	(23,822)	(41,997)	(39,878)
Consolidated total	$2,075,547	$1,679,985	$4,038,089	$3,201,629
Operating Income:				
Secure Communications & ISR	$ 55,054	$ 56,838	$ 108,884	$ 102,964
Training, Simulation & Government Services	43,007	35,304	72,949	67,236
Aircraft Modernization, O&M and Products	80,867	54,199	155,828	103,984
Specialized Products	45,996	31,777	86,468	55,536
Consolidated total	$ 224,924	$ 178,118	$ 424,129	$ 329,720
Depreciation and Amortization:				
Secure Communications & ISR	$ 7,799	$ 7,604	$ 15,566	$ 15,945
Training, Simulation & Government Services	2,500	1,832	4,883	3,634
Aircraft Modernization, O&M and Products	9,594	8,308	18,178	16,512
Specialized Products	15,659	11,354	29,216	22,698
Consolidated total	$ 35,552	$ 29,098	$ 67,843	$ 58,789

	June 30, 2005	December 31, 2004
Total Assets:		
Secure Communications & ISR	$ 1,320,230	$ 1,274,749[1]
Training, Simulation & Government Services	1,002,505	977,542
Aircraft Modernization, O&M and Products	2,332,837	2,252,285
Specialized Products	3,200,495	2,385,028[1]
Corporate	601,912	891,161
Consolidated total	$ 8,457,979	$ 7,780,765

(1) During the first quarter of 2005, the Company completed its evaluation of the segment classification for Cincinnati Electronics and assigned it to the Specialized Products segment. At December 31, 2004, $224,465 of total assets were reclassified from the Secure Communications & ISR segment to the Specialized Products segment.

16. Recently Issued Accounting Standards

In December of 2004, the FASB revised its FASB Statement No. 123, *Accounting for Stock Based Compensation* (SFAS 123) and renamed it FASB Statement No. 123, *Share-Based Payment* (SFAS 123R). SFAS 123R requires that compensation expense relating to share-based payment transactions

be recognized in financial statements at estimated fair value. The scope of SFAS 123R includes a wide range of share-based compensation arrangements, including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. This standard replaces SFAS 123 and supercedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*. The Company previously elected not to adopt the fair value based method of accounting for stock-based employee compensation as permitted by SFAS 123. The adoption of SFAS 123R will result in the recording of non-cash compensation expenses, which is not currently recognized in the Company's financial statements. In accordance with SFAS 123, the Company

discloses pro forma net income and earnings per share adjusted for non-cash compensation expenses arising from the estimated fair value of share-based payment transactions. See Note 3 above for a further discussion of the Company's accounting for stock-based employee compensation and disclosure of pro forma historical net income and earnings per share. On April 15, 2005, the SEC issued Release No. 33-8568, *Amendment to Rule 4-01a of Regulation S-X Regarding the Compliance Date for Statement of Financial Accounting Standards No. 123 (Revised 2004), Share-Based Payment*. The SEC Release amends the effective date for compliance with SFAS 123R for the Company from July 1, 2005 to January 1, 2006.

On March 29, 2005, the SEC issued Staff Accounting Bulletin (SAB) No. 107, "*Share-Based Payment*" (SAB 107). SAB 107 provides guidance to assist registrants in the initial implementation of SFAS 123R. SAB 107 includes, but is not limited to, interpretive guidance related to shared-based payment transactions with nonemployees, valuation methods and underlying expected volatility and expected term assumptions, the classification of compensation expenses and accounting for the income tax effects of share-based arrangements upon adopting the SFAS 123R. The Company is currently assessing the guidance provided in SAB 107 in connection with the implementation of SFAS 123R.

The U.S. enacted the American Jobs Creation Act of 2004 (the American Jobs Creation Act) in October 2004 which contains many provisions affecting corporate taxation. The American Jobs Creation Act phases out the extraterritorial income (ETI) exclusion benefit for export sales and phases in a new tax deduction for income from qualified domestic production activities (QPA) over a transition period beginning in 2005. In December 2004, the FASB issued FASB Staff Position 109-1 (FSP 109-1), which provides guidance that the QPA deduction should be treated as a special income tax deduction as described in SFAS 109. As such, QPA has no impact on the Company's deferred tax assets or liabilities existing as of the enactment date. Rather, the QPA deduction will be reported in the period that the deductions are claimed on the Company's income tax returns. The Company has completed its evaluation of the net impact of the American Jobs Creation Act, and has determined that the benefit from the phase-in of the QPA deduction is substantially equivalent to the lost benefit from the phase-out of the ETI exclusion in 2005. The Company also determined that the other provisions included in the American Jobs Creation Act will not have a significant impact on the Company's financial position, results of operations or cash flows.

In May of 2005, the FASB issued SFAS Statement No. 154, *Accounting Changes and Error Corrections* (SFAS 154), which requires retrospective application of all voluntary changes in accounting principles to all periods presented, rather than using a cumulative catch-up adjustment as currently required for most accounting changes under APB Opinion 20. This Statement replaces APB Opinion No. 20, *Accounting Changes*, and FASB Statement No. 3, *Reporting Accounting Changes in Interim Financial Statements*, and will be effective for accounting changes and error corrections made in fiscal years beginning after December 15, 2005. The Company does not believe the adoption of SFAS 154 will have a significant impact on the Company's financial position, results of operations or cash flows.

In June of 2005, the FASB approved Emerging Issues Task Force (EITF) Issue No. 05-06, *Determining the Amortization Period for Leasehold Improvements* (EITF 05-06). EITF 05-06 provides guidance on determining the amortization period for leasehold improvements acquired in a business combination or acquired subsequent to lease inception. The guidance requires that leasehold improvements acquired in a business combination or purchased subsequent to the inception of a lease be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date of the business combination or purchase. The guidance is effective for periods beginning after June 29, 2003. EITF 05-06 is not expected to have a material impact on the Company's unaudited interim condensed consolidated financial statements.

17. Subsequent Events

Acquisition of The Titan Corporation

On July 29, 2005, the Company acquired all of the outstanding shares of The Titan Corporation for $23.10 per share in cash. The total transaction value was approximately $2,800,000, including the assumption of approximately $626,000 of Titan's debt and related acquisition and financing expenses. The acquisition was financed using approximately $452,800 of cash on hand (approximately $59,000 of which was acquired from Titan), approximately $6,300 of revolving credit borrowings and $750,000 of term loan borrowings under L-3 Communications' senior credit facility and the net proceeds from the issuances of $600,000 of 3% Convertible Contingent Debt Securities and $1,000,000 of 6% Senior Subordinated Notes issued at a price of 99.09% of principal.

Titan is a leading provider of comprehensive national security solutions including information and communications systems solutions and services to the U.S. Department of Defense (DoD), intelligence agencies, the U.S. Department of Homeland Security (DHS) and other United States federal government customers. Titan offers services, systems and products for Command, Control, Communications, Intelligence, Surveillance and Reconnaissance (C^3ISR), enterprise information technology and homeland security programs. Titan's business

mix is complementary to L-3's with its focus on C^3ISR, advanced and transformational products and enterprise information technology for a number of government agencies, including the DoD, Federal Aviation Administration (FAA) and National Aeronautics and Space Administration (NASA), in addition to its systems integration work.

In addition, Titan has over 8,000 employees with U.S. Government clearances, including over 4,000 employees with top secret and above clearances and more than 2,400 employees with special clearances that focus on communications, networks, cryptology, signal intelligence, electronic warfare, data fusion, electromagnetic pulse science and analysis of weapons of mass destruction and simulation.

Titan's capabilities are expected to broaden and enhance L-3's DHS participation in infrastructure protection and analysis of weapons of mass destruction, expand L-3's operational analysis and simulation offering and enable L-3 to penetrate new customer areas.

Financing Transactions for Titan Acquisition

Amended and Restated Credit Facility

On July 29, 2005, in connection with the Titan acquisition, the Company entered into an amendment and restatement of its senior credit facility. The amended and restated credit facility provides for a term loan facility in an aggregate amount equal to $750,000 in addition to the existing

$1,000,000 revolving credit facility. The cash received from the term loan borrowings was used to pay a portion of the aggregate consideration required for the acquisition of Titan. The loans under the term loan facility are due and payable on March 9, 2010 and bear interest in the manner, and at the rates, set forth in the existing senior credit facility. In addition, the consolidated leverage ratio covenant in the existing senior credit facility was amended to require that the Company's consolidated leverage ratio be less than or equal to (1) 4.5 to 1.0 for each fiscal quarter ending on or prior to December 31, 2005, (2) 4.25 to 1.0 for the fiscal quarter ending on March 31, 2006 and (3) 4.0 to 1.0 for each fiscal quarter ending on or after June 30, 2006. For a more complete description of the Company's senior credit facility, see Note 8 to the Company's consolidated financial statements for the year ended December 31, 2004, included in its Annual Report on Form 10-K.

Senior Subordinated Notes

On July 29, 2005, L-3 Communications sold $1,000,000 of 6 3/8% Senior Subordinated Notes due October 15, 2015 (2005 Notes) at a discount of $9,100. The discount was recorded as a reduction to the principal amount of the 2005 Notes and will be amortized as interest expense over the term of the 2005 Notes. The effective interest rate of the 2005 Notes is 6.47% per annum. Interest is payable semi-annually on April 15 and October 15 of each year, commencing October 15, 2005. The net cash proceeds from this offering amounted to $973,400 after deducting the discounts and commissions and were used to pay a portion of the aggregate consideration required for the acquisition of Titan. The 2005 Notes are general unsecured obligations of L-3 Communications and are subordinated in right of payment to all existing and future senior debt of L-3 Communications. On or after October 15, 2010, the 2005 Notes are subject to redemption at any time, at the option of L-3 Communications, in whole or in part, at redemption prices (plus accrued and unpaid interest) starting at 103.188% of the principal amount (plus accrued and unpaid interest) during the 12-month period beginning October 15, 2010 and declining annually to 100% of principal (plus accrued and unpaid interest) on October 15, 2013 and thereafter. Prior to October 15, 2008, L-3 Communications may redeem up to 35% of the 2005 Notes with the net cash proceeds of certain equity offerings at a redemption price of 106.375% of the principal amount (plus accrued and unpaid interest).

Convertible Contingent Debt Securities

On July 29, 2005, L-3 Holdings sold $600,000 of 3% Convertible Contingent Debt Securities (CODES) due August 1, 2035. Interest is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2006. The net cash proceeds from this offering amounted to $585,000 after deducting the commissions and were used to pay a portion of the aggregate consideration required for the acquisition of Titan. On August 4, 2005, L-3 Holdings sold an additional $100,000 of CODES, pursuant to an over-allotment option exercised by the initial purchasers of the CODES.

The CODES are convertible into cash and shares of L-3 Holdings' common stock based on an initial conversion rate of 9.7741 shares of L-3 Holdings common stock per $1,000 principal amount of the CODES (equivalent to an initial conversion price of $102.31 per share) only under the following circumstances: (1) prior to August 1, 2033, on any date during any fiscal quarter (and only during such fiscal quarter) beginning after September 30, 2005, if the closing sales price of the common stock of L-3 Holdings is more than 120% of the then current conversion price for at least 20 trading days in the 30 consecutive trading-day period ending on the last trading day of the previous fiscal quarter; (2) on or after August, 1, 2033, at all times on or after any date on which the closing sale price of the common stock of L-3 Holdings is more than 120% of the then current conversion price; (3) if we distribute to all holders of our common stock, rights or warrants (other than pursuant to a rights plan)

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(dollars in thousands, except per share data)

entitling them to purchase, for a period of 45 calendar days or less, shares of L-3 Holdings' common stock at a price less than the average closing sales price for the ten trading days preceding the declaration date for such distribution; (4) if we distribute to all holders of our common stock, cash and other assets, debt securities or rights to purchase L-3 Holdings' securities (other than pursuant to a rights plan), which distribution has a per share value exceeding 10% of the closing sale price of L-3 Holdings common stock on the trading day preceding the declaration date for such distribution; (5) during the five consecutive business-day period following any five consecutive trading-day period in which the average trading price of the CODES was less than 98% of the average of the closing sale price of L-3 Holdings common stock during such five trading day period multiplied by the then current conversion rate; (6) during a specified period if the CODES have been called for redemption; or (7) during a specified period if a "fundamental change" (as such term is defined in the indenture governing the CODES) occurs. The conversion rate is subject to adjustments in certain circumstances set forth in the indenture governing the CODES.

Upon conversion of the CODES, the settlement amount will be computed as follows: (1) if L-3 Holdings elects to satisfy the entire conversion obligation in cash, L-3 Holdings will deliver to the holder for each $1,000 principal amount of the CODES converted cash in an amount equal to the conversion value; or (2) if L-3 Holdings elects to satisfy the conversion obligation in a combination of cash and common stock, L-3 Holdings will deliver to the holder for each $1,000 principal amount of the CODES converted (x) cash in an amount equal to (i) the fixed dollar amount per $1,000 principal amount of the CODES of the conversion obligation to be satisfied in cash specified in the notice regarding L-3 Holdings' chosen method of settlement or, if lower, the conversion value, or (ii) the percentage of the conversion obligation to be satisfied in cash specified in the notice regarding L-3 Holdings chosen method of settlement multiplied by the conversion value, as the case may be (the "cash amount"); provided that in either case the cash amount shall in no event be less than the lesser of (a) the principal amount of the CODES converted and (b) the conversion value, as calculated below; and (y) a number of shares of common stock of L-3 Holdings for each of the 20 trading days in the conversion period equal to $1/20^{th}$ of (i) the conversion rate then in effect minus (ii) the quotient of the cash amount divided by the closing price of common stock of L-3 Holdings for that day (plus cash in lieu of fractional shares, if applicable.)

The CODES are senior unsecured obligations of L-3 Holdings and rank equal in right of payment with all existing and future senior indebtedness and senior to all future senior subordinated indebtedness of L-3 Holdings. The CODES are jointly and severally guaranteed on a senior subordinated basis by all of the existing and future domestic subsidiaries of L-3 Holdings, including Titan and certain of its subsidiaries, that guarantee any other indebtedness of L-3 Holdings or any of its domestic subsidiaries.

At any time on or after February 1, 2011, the CODES are subject to redemption at the option of L-3 Holdings, in whole or in part, at a cash redemption price (plus accrued and unpaid interest, including contingent interest and additional interest, if any) equal to 100% of the principal amount of the CODES.

Holders of the CODES may require L-3 Holdings to repurchase the CODES, in whole or in part, on February 1, 2011, February 1, 2016, February 1, 2021, February 1, 2026 and February 1, 2031 at a cash repurchase price equal to 100% of the principal amount of the CODES (plus accrued and unpaid interest, including contingent interest and additional interest, if any). In addition, holders of the CODES may require L-3 Holdings to repurchase the CODES at a repurchase price equal to 100% of the principal amount of the CODES (plus accrued and unpaid interest, including contingent interest and additional interest, if any) if a "fundamental change" occurs prior to maturity of the CODES.

**L-3 COMMUNICATIONS HOLDINGS, INC.
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(dollars in thousands, except per share data)

Holders of the CODES have a right to receive contingent interest payments, which will be paid on the CODES during any six-month period commencing February 1, 2011 in which the trading price of the CODES for each of the five trading days ending on the second trading day preceding the first day of the applicable six-month interest period equals or exceeds 120% of the principal amount of the CODES. The contingent interest payable per $1,000 principal amount of CODES will equal 0.25% of the average trading price of $1,000 principal amount of CODES during the five trading days ending on the second trading day preceding the first day of the applicable six-month interest period.

In connection with the sale of the 2005 Notes and the CODES, the Company has agreed to file with the SEC by November 26, 2005 (120 days after the closing of these offerings) (1) an exchange offer registration statement to exchange the 2005 Notes for substantially identical notes that are registered under the Securities Act and (2) a shelf registration statement with respect to the resale of the CODES and related guarantees and the common stock issuable upon conversion of the CODES. The Company has also agreed to cause each of these registration statements to be declared effective by the SEC by February 24, 2006 (210 days after the closing of these offerings). The Company will be required to pay additional interest if it fails to register the 2005 Notes and the CODES within the time periods specified above.

Titan Legal Matters

Foreign Corrupt Practices Act Investigation

During the first quarter of 2004, Titan learned of allegations that improper payments under the Foreign Corrupt Practices Act (FCPA) had been made, or items of value had been provided, involving international consultants for Titan or its subsidiaries to foreign officials. The allegations, which were identified as part of internal reviews conducted by Titan and Lockheed Martin Corporation (Lockheed) in connection with their failed merger, were reported at that time to the government. Titan's Board of Directors established a committee of the Board to oversee Titan's internal review of these matters. In connection with the internal review, the SEC commenced an investigation into whether payments involving Titan's international consultants were made in violation of applicable law, particularly the FCPA. In addition, the Department of Justice (DoJ) initiated a criminal inquiry into this matter, and also initiated an investigation into whether these same alleged practices violated provisions of the United States Internal Revenue Code of 1986, as amended.

On March 1, 2005, Titan announced that it had entered into a consent to entry of a final judgment with the SEC without admitting or denying the SEC's allegations, and reached a plea agreement with the DoJ, under which Titan pled guilty to three FCPA counts related to its overseas operations. These counts consist of violations of the anti-bribery and the books and records provisions of the FCPA and aiding and assisting in the preparation of a false tax return.

In connection with the FCPA settlement, Titan made total payments of $28,500, including a DoJ-recommended fine of $13,000 and payments to the SEC of $15,500. A federal judge also imposed a three-year term of supervised probation. As part of these agreements, Titan agreed to: (1) implement a best-practices compliance program designed to detect and deter future violations of the FCPA; and (2) retain an independent consultant to review its policies and procedures with respect to FCPA compliance and to adopt the consultant's recommendations. If Titan fails to comply with its sentence or the consent to entry of a final judgment, it could be subject to additional criminal and civil fines or penalties and limitations on its ability to enter into or perform under U.S. government contracts, which would have a material adverse effect on the Company's financial position, results of operations or cash flows.

Titan has made voluntary disclosures to the U.S. Department of State of suspected violations of law discovered in the course of Titan's internal FCPA investigation. The voluntary disclosures have not yet been resolved and may result in the assessment of fines or penalties against Titan. Further, as a result of Titan's plea agreement, Titan is currently unable to obtain new export licenses for items regulated by the U.S. Department of State. Titan has been working with the U.S. Department of State to obtain relief from this licensing ineligibility rule, but there is no assurance that Titan will be able to obtain new export licenses or amendments to existing ones or to utilize licensing exemptions in the foreseeable future. In addition, Titan's privilege to export products or services under existing export licenses may also be suspended. If Titan were prevented from obtaining new licenses and/or exporting products or services under existing licenses for a significant period of time, this could breach its obligations under certain contracts and could cause Titan to suffer adverse consequences, including termination of contracts and/or claims for damages. Titan does not know when, or if, it will be able to obtain relief from the licensing ineligibility rule, or for any further export license suspensions. Certain of Titan's revenues are generated by contracts with international customers which require export licenses. For the year ended December 31, 2004, Titan had revenues of approximately $27,000 that required it to have export licenses.

On March 2, 2005, the Navy, acting on behalf of the DoD, and Titan executed an administrative settlement agreement that would allow Titan to continue to receive U.S. government contracts. The agreement imposes certain duties and limitations on Titan and provides that the Navy will monitor for three years Titan's compliance with, among other things, the FCPA and federal procurement laws and regulations. Under the agreement, the Navy agreed not to undertake any administrative action to propose Titan for debarment, but reserved the right to undertake appropriate administrative action, in its discretion, in the event of the indictment or conviction of any then-current (as of the date of execution of the agreement) officer or director of Titan or any of its wholly-owned subsidiaries arising out of continuing investigations into the underlying matters that were the subject of the Titan plea agreement or the final judgment entered by the SEC. The Justice Department is continuing its investigation of individuals involved in these matters. The Navy agreement defines "Titan" to include, among other things,

Titan's "affiliates." There is no assurance that the Company will not be construed as Titan's affiliate under the agreement.

Titan has an ongoing obligation under its by-laws and under indemnity agreements with current and former employees to advance their costs of defense relating to the FCPA investigations and related class action and derivative litigation, subject to the individuals undertaking to repay the costs of defense if it is ultimately determined that such individual is not entitled to be indemnified by Titan.

Stockholder and Derivative Actions

Titan and its officers and directors are subject to several lawsuits arising out of the FCPA settlement and the failed merger with Lockheed Martin Corporation.

In re Titan Inc. Securities Litigation, No. 04-CV-0701-K(NLS), is a consolidated putative class action filed before the U.S. District Court for the Southern District of California (the Federal Securities Action). The complaint alleges, among other things, that Titan and its officers and directors violated Section 10(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Securities and Exchange Commission (SEC) Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act, by issuing a series of press releases, public statements and filings disclosing significant historical and future revenue growth, but omitting to mention certain allegedly improper payments involving international consultants in connection with Titan's international operations, thereby artificially inflating the trading price of Titan's common stock. On July 18, 2005, an amended

complaint in the securities action was filed that, among other things, added the claims that were previously pled in the "Holder Actions" described in the next paragraph. The Federal Securities Action and the Holder Actions are referred to collectively as the "Securities Action."

Certain Titan officers are also parties to putative class action complaints filed in the Superior Court for the State of California in and for San Diego County (the Holder Actions). These cases include *Paul Berger v. Gene W. Ray, et al*., No. GIC 828346, and *Robert Garfield v. Mark W. Sopp, et. al*, No. GIC 828345. These actions purport to be brought on behalf of all holders of Titan common stock as of April 7, 2004. The Holder Actions allege, among other things, that the defendants breached their fiduciary duties by acquiescing in or condoning Titan's alleged violations of the FCPA by failing to establish adequate procedures to prevent the alleged FCPA violations, and by failing, in bad faith, to voluntarily report the alleged FCPA violations to government officials.

Titan's directors and certain Titan officers, with Titan as a nominal defendant, are also party to *Theodore Weisgerber v. Gene Ray, et al*., No. 832018, which was filed in the Superior Court for the State of California, San Diego; *Robert Ridgeway v. Gene Ray, et al*., No. 542-N, which was filed in Delaware Court of Chancery, New Castle County; *Bernd Bildstein v. Gene Ray, et al*., No. 833701, which was filed in the Superior Court for the State of California, San Diego County; and *Madnick v. Gene Ray, et al.*, No. 1215-N, which was filed in the Delaware Court of Chancery, New Castle County (the Derivative Actions). The Derivative Actions purport to be brought for the benefit of the nominal defendant, Titan, and allege that the defendants breached their fiduciary duties by failing to monitor and supervise management in a way that would have either prevented the alleged FCPA violations or would have detected the alleged FCPA violations. The *Weisgerber* complaint was subsequently amended to include allegations that the defendants breached their fiduciary duties by failing to monitor and supervise management in a way that would have prevented the alleged mistreatment of prisoners at the Abu Ghraib prison in Iraq, alleged billing errors relating to the work performed by foreign nationals, and the loss of contracts with the government. On June 3, 2005, an amended complaint was filed in the *Ridgeway* action which added, among other things, a claim alleging that Titan's directors breached their fiduciary duty in connection with their approval of the merger with the Company. The Company was named as a defendant in the *Ridgeway* action for allegedly aiding and abetting this alleged breach of fiduciary duty.

On June 6, 2005, a putative class action, *Gentsch v. Titan Corp. et al*., No. GIC 848598, was filed in Superior Court for the State of California against Titan and its board of directors challenging the merger between Titan and the Company.

Concurrently with entering into the merger agreement relating to the Titan acquisition, two memoranda of understanding were executed. First, the defendants in the Securities Action, including Titan and certain of its directors and officers, entered into a memorandum of understanding (the Securities MOU) with plaintiffs in the Federal Securities and Holder actions. Pursuant to the Securities MOU, plaintiffs and their counsel will receive $61.5 million. Second, the defendants in the Derivative Actions, including Titan and certain of its directors and officers and the Company, entered into a separate memorandum of understanding (the Derivative MOU) with plaintiffs in the Derivative Actions. As a result of negotiations by the plaintiffs in the Derivative Actions, the Company agreed to, among other things, increase the purchase price it was willing to pay for Titan's common stock to $23.10 per share of Titan's common stock and to reduce the termination fee potentially payable by Titan. Pursuant to the Derivative MOU, the Company has agreed to pay any plaintiff attorneys' fees awarded by the Delaware Court of Chancery, up to $5.9 million.

After the completion of confirmatory discovery, including the review by plaintiffs' counsel of certain documents of Titan and the Company and the taking of several depositions, the parties

executed stipulations of settlement (*i.e.*, the Securities Settlement and the Derivative Settlement) on July 22, 2005. A Preliminary Fairness and Certification Hearing is scheduled for September 26, 2005 to consider preliminary approval of the Securities Settlement. The Derivative Settlement was preliminarily approved on August 8, 2005 and a Final Settlement Hearing is scheduled for November 2, 2005. Both settlements remain subject to court approval.

SureBeam Related Litigation

In August 2002, Titan completed the spin-off of its former subsidiary, SureBeam Corporation. On January 19, 2004, SureBeam voluntarily filed for bankruptcy relief to be liquidated under Chapter 7 of the United States Bankruptcy Court. Various lawsuits have been filed against Titan and/or certain directors and executive officers of Titan in connection with SureBeam.

Titan, certain corporate officers of SureBeam, Dr. Gene Ray and Susan Golding, as SureBeam directors, and certain investment banks that served as lead underwriters for SureBeam's March 2001 initial public offering, have been named as defendants in several purported class action lawsuits filed by holders of common stock of SureBeam in the U.S. District Court. On October 6, 2003, these lawsuits were consolidated into *In re SureBeam Corporation Securities Litigation*, No. 03-CV-001721-JM (POR) in the U.S. District Court for the Southern District of California. The consolidated action seeks an unspecified amount of damages and alleges that each of the defendants, including Titan, as a "control person" of SureBeam within the meaning of Section 15 of the Securities Act, should be held liable under Section 11 of the Securities Act because the prospectus for SureBeam's initial public offering was allegedly inaccurate and misleading, contained untrue statements of material facts, and omitted to state other facts necessary to make the statements made therein not misleading. The consolidated action further alleges that the defendants, including Titan, as a control person of SureBeam within the meaning of Section 20(a) of the Exchange Act, should be held liable under Section 10(b) of the Exchange Act for false and misleading statements made during the period from March 16, 2001 to August 27, 2003. On January 3, 2005, the court granted in part and denied in part motions to dismiss the operative complaint. An amended complaint was filed on March 1, 2005. Titan intends to defend the claims vigorously.

On September 17, 2004, the bankruptcy trustee in the SureBeam Corporation bankruptcy pending in the United States Bankruptcy Court for the Southern District of California brought an action in San Diego Superior Court, on behalf of the bankruptcy estate, against certain directors and current and former executive officers of Titan who served at one time as directors or officers of SureBeam. The bankruptcy trustee's complaint raises claims of breach of fiduciary duties, gross mismanagement, abuse of corporate control, waste of corporate assets, breach of the duty of loyalty, unjust enrichment, breach of fiduciary duties for insider trading and violation of the California Corporation Code. Because the defendants were named by reason of the fact that they were serving as directors or officers of SureBeam at the request of Titan, Titan is covering the costs of defense of these claims, subject to indemnification agreements and bylaw provisions.

A mediation covering both the putative class action lawsuit and the bankruptcy trustee's claims is scheduled for the end of September 2005.

Government Investigations

In October 2002, Titan received a grand jury subpoena from the Antitrust Division of the DoJ requesting the production of documents relating to information technology services performed for the Air Force at Hanscom Air Force Base in Massachusetts and Wright-Patterson Air Force Base in

Ohio. Titan has been informed that other companies who have performed similar services have received subpoenas as well. A senior Titan employee has provided a handwriting exemplar in connection with this matter and three Titan employees have previously testified before the grand jury in exchange for receiving immunity.

Titan is not aware of any illegal or inappropriate conduct and has been cooperating and will continue to cooperate fully with the investigation.

In March 2003, Titan received a subpoena from the Office of Inspector General for the National Aeronautics and Space Administration (NASA) seeking certain records relating to billing for labor services in connection with its contracts with NASA. Titan also received a subpoena from the Office of Inspector General for the General Services Administration (GSA) seeking similar records relating to billing for labor categories in connection with contracts with GSA. In response to these subpoenas, Titan has provided documents relating to billing for labor services in connection with government contracts. Titan is not aware of any illegal or inappropriate conduct and has been cooperating and will continue to cooperate fully with the investigation.

These investigations are ongoing, and we are unable to predict their outcome at this time. Any penalties imposed by the U.S. Government in these matters could have a material adverse effect on our financial position, results of operations or cash flows.

Other Legal Proceedings

Since June 9, 2004, two lawsuits have been filed alleging that Titan and other defendants either participated in, approved of, or condoned the mistreatment of prisoners by United States military officials in certain prison facilities in Iraq in violation of federal, state and international law. The first of these cases, *Saleh v. Titan Corporation*, No. 04-CV-1143 R, was filed in the United States District Court for the Southern District of California against The Titan Corporation, CACI International, Inc. (CACI), and its affiliates, and three individuals (one formally employed by Titan and one by a Titan subcontractor). Plaintiffs in *Saleh* seek class certification. The second case, *Ibrahim v. Titan Corporation*, No. 04-CV-1248, was filed on July 27, 2004, on behalf of five individual plaintiffs against Titan, CACI and CACI affiliates, and contains allegations similar to those in *Saleh*. Class certification has not been requested in *Ibrahim*. Titan intends to defend these lawsuits vigorously.

On January 23, 2004, Titan, together with its wholly-owned subsidiary, Titan Wireless, Inc., and Titan Wireless's wholly-owned subsidiary, Titan Africa, Inc., were named as defendants in *Gonzales Communications, Inc. v. Titan Wireless, Inc., Titan Africa, Inc., The Titan Corporation, Geolution International Inc., and Mundi Development, Inc.*, a lawsuit filed in the U.S. District Court for the Southern District of California, No. 04-CV-00147 WQH (JMA). The complaint relates to the purchase by Gonzales Communications of equipment and related services under an equipment purchase agreement entered into with Titan Wireless in June 2001. Gonzales Communications contends that the equipment and services delivered were unsatisfactory. In the complaint, Gonzales Communications seeks direct damages in the amount of $0.9 million plus interest, representing the amount Gonzales Communications alleges to have previously paid under the agreement, and consequential damages of approximately $16.3 million. To date, Titan and its subsidiaries have not received payment in full under the agreement for the equipment and services that were delivered to Gonzales Communications. Titan has filed a counterclaim against Gonzales Communications for in excess of $1.2 million. On July 11, 2005, the court granted in part and denied in part Titan's motion for summary judgment. Titan intends to defend its position vigorously.

On March 14, 2005, Makram Majid Chams, a former consultant of Titan filed a claim with the Preliminary Committee on Labor Disputes Settlement in Saudi Arabia. Mr. Chams alleges that Titan

wrongfully terminated his consulting agreement and that he was defamed by Titan's publication in a local newspaper of a mandatory notice that he is no longer representing Titan. The plaintiff is seeking approximately $21.9 million in damages. Titan intends to defend its position vigorously.

In December 2001, the current occupants of a property formerly owned by Titan commenced an environmental action, *Lefcourt Associates, Ltd. et al. v. The Thor Corporation, et al.*, against Titan and others in New Jersey state court. Plaintiffs contend that Titan is liable for the damages caused by hazardous waste materials originating from adjacent land to the extent that Titan purportedly provided indemnification to plaintiffs when it sold the property to them in 1986. Discovery is in progress, and we cannot predict the outcome of this litigation at this time.

18. Unaudited Financial Information of L-3 Communications and its Subsidiaries

L-3 Communications is a wholly-owned subsidiary of L-3 Holdings. The debt of L-3 Communications, including the senior subordinated notes and borrowings under amounts drawn against the senior credit facility are guaranteed, on a joint and several, full and unconditional basis, by certain of its wholly-owned domestic subsidiaries (the "Guarantor Subsidiaries"). The foreign subsidiaries and certain domestic subsidiaries of L-3 Communications do not guarantee the debt of L-3 Communications (the "Non-Guarantor Subsidiaries"). None of the debt of L-3 Communications has been issued by its subsidiaries. There are no restrictions on the payment of dividends from the Guarantor Subsidiaries to L-3 Communications.

The following unaudited condensed combining financial information present the results of operations, financial position and cash flows of (i) L-3 Holdings, excluding L-3 Communications, (ii) L-3 Communications,

(dollars in thousands, except per share data)

excluding its consolidated subsidiaries (the "Parent"), (iii) the Guarantor Subsidiaries, (iv) the Non-Guarantor Subsidiaries and (v) the eliminations to arrive at the information for L-3 Communications on a consolidated basis.

	L-3 Holdings	L-3 Communications (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated L-3 Communications
Condensed Combining Balance Sheets:						
At June 30, 2005:						
Current assets:						
Cash and cash equivalents	$ —	$ 378,105	$ (47,157)	$ 79,789	$ —	$ 410,737
Contracts in process	—	671,299	1,287,800	349,223	—	2,308,322
Other current assets	—	124,838	44,181	16,612	—	185,631
Total current assets	—	1,174,242	1,284,824	445,624	—	2,904,690
Goodwill	—	1,054,486	2,832,372	671,256	—	4,558,114
Other assets	—	355,467	516,045	123,663	—	995,175
Investment in and amounts due from consolidated subsidiaries	4,151,425	4,719,558	853,550	36,774	(9,761,307)	—
Total assets	$ 4,151,425	$ 7,303,753	$ 5,486,791	$ 1,277,317	$ (9,761,307)	$ 8,457,979
Current liabilities	—	555,852	$ 558,044	$ 295,087	$ —	$ 1,408,983
Other long-term liabilities	—	404,174	190,644	31,229	—	626,047
Long-term debt	—	2,192,302	—	—	—	2,192,302
Minority interests	—	—	—	79,222	—	79,222
Shareholders' equity	4,151,425	4,151,425	4,738,103	871,779	(9,761,307)	4,151,425
Total liabilities and shareholders' equity	$ 4,151,425	$ 7,303,753	$ 5,486,791	$ 1,277,317	$ (9,761,307)	$ 8,457,979
At December 31, 2004:						
Current assets:						
Cash and cash equivalents	$ —	$ 643,173	$ (45,220)	$ 55,466	$ —	$ 653,419
Contracts in process	—	591,018	1,111,253	276,756	—	1,979,027
Other current assets	—	127,465	39,390	9,023	—	175,878
Total current assets	—	1,361,656	1,105,423	341,245	—	2,808,324
Goodwill	—	885,242	2,709,731	459,841	—	4,054,814
Other assets	—	307,929	492,264	117,434	—	917,627
Investment in and amounts due from consolidated subsidiaries	3,799,761	4,259,200	831,062	40,000	(8,930,023)	—
Total assets	$ 3,799,761	$ 6,814,027	$ 5,138,480	$ 958,520	$ (8,930,023)	$ 7,780,765
Current liabilities	$ —	$ 495,190	$ 489,500	$ 191,150	$ —	$ 1,175,840
Other long-term liabilities	—	329,270	182,679	25,873	—	537,822
Long-term debt	—	2,189,806	—	—	—	2,189,806
Minority interests	—	—	—	77,536	—	77,536
Shareholders' equity	3,799,761	3,799,761	4,466,301	663,961	(8,930,023)	3,799,761
Total liabilities and shareholders' equity	$ 3,799,761	$ 6,814,027	$ 5,138,480	$ 958,520	$ (8,930,023)	$ 7,780,765

	L-3 Holdings	L-3 Communications (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated L-3 Communications
Condensed Combining Statements of Operations:						
For the six months ended June 30, 2005:						
Sales	$ —	$ 1,155,863	$ 2,376,581	$ 529,933	$ (24,288)	$ 4,038,089
Costs and expenses	—	1,015,549	2,144,323	478,376	(24,288)	3,613,960
Operating income	—	140,314	232,258	51,557	—	424,129
Other (income) expense, net	—	(11,658)	177	(787)	6,724	(5,544)
Interest expense	—	75,550	1,095	6,691	(6,724)	76,612
Minority interests in net income of	—	—	—	5,391	—	5,391

(dollars in thousands, except per share data)

consolidated subsidiaries						
Provision for income taxes	—	27,665	83,617	14,575	—	125,857
Equity in net income of consolidated subsidiaries	221,813	173,056	—	—	(394,869)	—
Net income	$ 221,813	$ 221,813	$ 147,369	$ 25,687	$ (394,869)	$ 221,813
For the six months ended June 30, 2004:						
Sales	$ —	$ 938,168	$ 1,892,293	$ 384,851	$ (13,683)	$ 3,201,629
Costs and expenses	—	821,375	1,719,458	344,759	(13,683)	2,871,909
Operating income	—	116,793	172,835	40,092	—	329,720
Other (income) expense, net	—	(8,139)	808	4,739	6,007	3,415
Interest expense	9,040	71,401	257	6,274	(15,047)	71,925
Minority interests in net income of consolidated subsidiaries	—	—	—	2,287	—	2,287
Provision (benefit) for income taxes	(3,300)	19,539	62,696	9,779	3,300	92,014
Equity in net income of consolidated subsidiaries	165,819	126,087	—	—	(291,906)	—
Net income	$ 160,079	$ 160,079	$ 109,074	$ 17,013	$ (286,166)	$ 160,079

	L-3 Holdings	L-3 Communications (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated L-3 Communications
Condensed Combining Statements of Operations						
For the three months ended June 30, 2005:						
Sales	$ —	$ 594,509	$ 1,228,565	$ 268,607	$ (16,134)	$ 2,075,547
Costs and expenses	—	524,562	1,096,922	245,273	(16,134)	1,850,623
Operating income	—	69,947	131,643	23,334	—	224,924
Other (income) expense, net	—	(5,275)	(387)	(478)	3,292	(2,848)
Interest expense	—	37,741	774	3,279	(3,292)	38,502
Minority interests in net income of consolidated subsidiaries	—	—	—	2,176	—	2,176
Provision for income taxes	—	13,568	47,515	6,645	—	67,728
Equity in net income of consolidated subsidiaries	119,366	95,453	—	—	(214,819)	—
Net income	$ 119,366	$ 119,366	$ 83,741	$ 11,712	$ (214,819)	$ 119,366
For the three months ended June 30, 2004:						
Sales	$ —	$ 499,819	$ 985,844	$ 202,381	$ (8,059)	$ 1,679,985
Costs and expenses	—	438,554	894,614	176,758	(8,059)	1,501,867
Operating income	—	61,265	91,230	25,623	—	178,118
Other (income) expense, net	—	(3,067)	849	1,547	3,033	2,362
Interest expense	4,520	34,971	152	3,300	(7,553)	35,390
Minority interests in net income of consolidated subsidiaries	—	—	—	1,672	—	1,672
Provision (benefit) for income taxes	(1,650)	10,716	32,934	6,973	1,650	50,623
Equity in net income of consolidated subsidiaries	90,941	69,426	—	—	(160,367)	—
Net income	$ 88,071	$ 88,071	$ 57,295	$ 12,131	$ (157,497)	$ 88,071

	L-3 Holdings	L-3 Communications (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated L-3 Communications
Condensed Combining Statements of Cash Flows:						

For the six months ended June 30, 2005:						
Operating activities:						
Net cash from operating activities	$ —	$ 133,936	$ 166,093	$ 60,514	$ —	$ 360,543
Investing activities:						
Acquisition of businesses, net of cash acquired	—	(206,555)	(181,520)	(198,240)	—	(586,315)
Other investing activities	(162,728)	(398,897)	(23,274)	(4,389)	542,488	(46,800)
Net cash used in investing activities	(162,728)	(605,452)	(204,794)	(202,629)	542,488	(633,115)
Financing activities:						
Net cash from financing activities	162,728	206,448	36,764	166,438	(542,488)	29,890
Net increase (decrease) in cash	—	(265,068)	(1,937)	24,323	—	(242,682)
Cash and cash equivalents, beginning of period	—	643,173	(45,220)	55,466	—	653,419
Cash and cash equivalents, end of period	$ —	$ 378,105	$ (47,157)	$ 79,789	$ —	$ 410,737
For the six months ended June 30, 2004:						
Operating activities:						
Net cash from operating activities	$ —	$ 67,928	$ 131,580	$ 44,451	$ —	$ 243,959
Investing activities:						
Acquisition of businesses, net of cash acquired	—	(55,166)	(76,002)	(165)	—	(131,333)
Other investing activities	(86,196)	(83,924)	(15,001)	(5,294)	162,363	(28,052)
Net cash used in investing activities	(86,196)	(139,090)	(91,003)	(5,459)	162,363	(159,385)
Financing activities:						
Net cash from (used in) financing activities	86,196	124,635	(29,789)	(10,164)	(162,363)	8,515
Net increase in cash	—	53,473	10,788	28,828	—	93,089
Cash and cash equivalents, beginning of period	—	155,375	(41,291)	20,792	—	134,876
Cash and cash equivalents, end of period	$ —	$ 208,848	$ (30,503)	$ 49,620	$ —	$ 227,965

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Overview

L-3 Holdings and its subsidiaries, including L-3 Communications (referred to as L-3, we, us and our) is a leading supplier of a broad range of products used in a substantial number of aerospace and defense platforms. We also are a major supplier of subsystems on many platforms, including those for secure communication networks and communication products, mobile satellite communications, information security systems, shipboard communications, naval power systems, missiles and munitions, telemetry and instrumentation and airport security systems. We also are a prime system contractor for aircraft modernization and operations and maintenance (O&M), Intelligence, Surveillance and Reconnaissance (ISR) collection platforms, training and simulation, and government support services. The substantial majority of our sales are generated using written revenue arrangements, or contracts. Most of these contracts require us to design, develop, manufacture, modify, upgrade, test and integrate complex aerospace and electronic equipment, and to provide engineering and technical services according to the buyer's specifications. Our primary customer is the U.S. Department of Defense (DoD). Our other customers include the U.S. Department of Homeland Security (DHS), U.S. Government intelligence agencies, major aerospace and defense contractors, allied foreign government ministries of defense, commercial customers and certain other U.S. federal, state and local government agencies.

We have four reportable segments: (1) Secure Communications & ISR; (2) Training, Simulation & Government Services; (3) Aircraft Modernization, O&M and Products; and (4) Specialized Products.

Our Secure Communications & ISR segment provides products and services for the global ISR market as well as secure, high data rate communications systems and equipment primarily for military and other U.S. Government and allied foreign government reconnaissance and surveillance applications. We believe that our products and services are critical elements for a substantial number of major communication, command and control, intelligence gathering and space systems. Our products and services are used to connect a variety of airborne, space, ground and sea-based communication systems and are used in the transmission, processing, recording, monitoring and dissemination functions of these communication systems. Our Training, Simulation & Government Services segment provides maintenance and logistics support for training devices, communication systems support and engineering services, teaching and training services and marksmanship training systems and services. Our Aircraft Modernization, O&M and Products segment provides specialized aircraft modernization and upgrades, maintenance and logistics support services, and aviation products, including traffic alert and collision avoidance systems, terrain awareness warning systems, cockpit voice and flight data recorders, advanced cockpit avionics products and ruggedized custom cockpit displays. Our Specialized Products segment provides a broad range of products, including naval warfare products, telemetry and navigation products, sensors and imaging products, premium fuzing products, security systems, training devices and microwave components.

On July 29, 2005, we acquired all of the outstanding stock and assumed all outstanding debt of The Titan Corporation (Titan). The total transaction value was approximately $2.8 billion, including related acquisition and financing expenses. The Titan acquisition was financed with a combination of cash on hand, borrowings under

our senior credit facility and net proceeds from the issuance of convertible contingent debt securities and senior subordinated notes. See "Liquidity and Capital Resources — Statement of Cash Flows — Financing Activities" below. Titan is a leading provider of comprehensive national security solutions including information and communications systems solutions and services to the Department of Defense (DoD), intelligence agencies, the Department of Homeland Security (DHS) and other United States federal government customers. Titan offers services, systems and products for Command, Control, Communications, Intelligence, Surveillance and Reconnaissance (C^3ISR), enterprise information technology and homeland security programs. Titan's

businesses are complementary to L-3's, and focus on C^3ISR, advanced and transformational products and enterprise information technology for a number of government agencies, including the DoD, Federal Aviation Administration (FAA) and National Aeronautics and Space Administration (NASA), in addition to its systems integration work. Total sales for Titan for the year ended December 31, 2004 were $2.0 billion and for the six months ended June 30, 2005 were $1.2 billion. The Titan acquisition will initially reduce our consolidated operating margin because Titan has lower operating margin than L-3, due to its business mix and contract-type sales mix.

The table below presents customer-type and contract-type sales mix as a percentage of total sales for the year ended December 31, 2004 for L-3, Titan and pro forma for the combined company. The pro forma combined customer-type and contract-type percentage below are not necessarily indicative of the results that would have actually occurred had we completed the Titan acquisition on January 1, 2004.

	L-3	Titan	Pro Forma Combined
Customer-Type			
U.S. Government	80.3%	97.0%	84.1%
Commercial and foreign governments	19.7%	3.0%	15.9%
	100.0%	100.0%	100.0%
Contract-Type:			
Fixed-price	60.6%	15.1%	50.2%
Cost-reimbursable	26.9%	47.9%	31.7%
Time-and-material	12.5%	37.0%	18.1%
	100.0%	100.0%	100.0%

This Management's Discussion and Analysis of Results of Operations and Financial Condition (MD&A) should be read in conjunction with our MD&A for the fiscal year ended December 31, 2004, included in the Annual Report for L-3 Holdings and L-3 Communications on Form 10-K for the fiscal year ended December 31, 2004.

Business Acquisitions

The table below summarizes the business acquisitions that we have completed from January 1, 2004, through June 30, 2005.

Business Acquisitions	Date Acquired	Purchase Price[1] (in millions)
Beamhit LLC	May 13, 2004	$ 40.0[2] [3]
Brashear, LP	June 14, 2004	36.3
Commercial Infrared business of Raytheon Company[4]	November 9, 2004	44.3
Cincinnati Electronics, Inc.	December 9, 2004	176.3
Canadian Navigation Systems and Space Sensors System business of Northrop Grumman[5]	December 30, 2004	65.0[2]
AVISYS, Inc., General Electric Driver Development business, Bay Metals, D.P. Associates, certain video security product lines of Sarnoff Corporation and BAI Aerosystems	Various dates in 2004	75.6[6]
Marine Controls division of CAE (MAPPS)[7]	February 3, 2005	196.8[2]
Propulsion Systems business unit of General Dynamics[8]	February 25, 2005	196.8
Electron Dynamics Devices business of the Boeing Company[9]	February 28, 2005	90.0[2]
InfraredVision Technology Corporation, Mobile-Vision, Inc., Sonoma Design Group, Inc. and Advanced Laser Systems Technology, Inc.	Various dates in 2005	91.5[10]

(1) The purchase price represents the contractual consideration for the acquired business, excluding adjustments for net cash acquired and acquisition costs.

(2) The purchase price is subject to adjustment based on actual closing date net assets or net working capital of the acquired business.

(3) Excludes additional purchase price, which is contingent upon the financial performance of Beamhit for the years ending December 31, 2005, 2006 and 2007.

(4) Following the acquisition, we changed the name of the Commercial Infrared business to L-3 Communications Infrared Products.

(5) Following the acquisition, we changed the name of the Canadian Navigation System and Space Sensors System business to L-3 Communications Electronics Systems (LES).

(6) Excludes additional purchase price, expected not to exceed $31.5 million, which is contingent upon the financial performance of Bay Metals, D.P. Associates and BAI Aerosystems for the years ending December 31, 2005 and 2006.

(7) Following the acquisition, we changed the name of the Marine Controls business to L-3 Communications MAPPS Inc.

(8) Following the acquisition, we changed the name of the Propulsion Systems business to L-3 Communications – Combat Propulsion Systems.

(9) Following the acquisition, we changed the name of the Electron Dynamics Devices business to L-3 Communications – Electron Technologies, Inc.

(10) Excludes additional purchase price, not to exceed $50.3 million, which is contingent primarily upon the financial performance of InfraredVision Technology Corporation, Mobile-Vision, Inc., Sonoma Design Group, Inc. and Advanced Laser Systems Technology, Inc. for fiscal years ending on various dates in 2005 through 2008.

All of our business acquisitions are included in our consolidated results of operations from their dates of acquisition. We regularly evaluate potential business acquisitions and joint venture transactions. On July 29, 2005, we acquired all of the outstanding shares of Titan for $23.10 per share in cash. The total transaction value was approximately $2.8 billion, including the assumption of approximately $626.0 million of Titan's debt and related acquisition and financing expenses. We have not entered into any other agreements with respect to any other business acquisition transactions through the date of this filing, which would be considered material to L-3's results of operations, cash flows, or financial position.

Results of Operations

The following information should be read in conjunction with our unaudited condensed consolidated financial statements. Our results of operations for the periods presented are impacted significantly by our business acquisitions. See Note 3 to the audited consolidated financial statements for the year ended December 31, 2004 included in our Annual Report on Form 10-K for a discussion of our 2004 business acquisitions and Note 4 to the unaudited condensed consolidated financial statements for the six months ended June 30, 2005 included in this report for a discussion of our 2005 business acquisitions.

Presentation of Sales and Costs and Expenses. On the statements of operations, L-3 presents its sales and costs and expenses in two categories, "Contracts, primarily U.S. Government" and "Commercial, primarily products." For a detailed description of these two categories, refer to Note 2 in the unaudited condensed consolidated financial statements.

Three Months Ended June 30, 2005 Compared with Three Months Ended June 30, 2004

The tables below provide two presentations of sales, operating income and operating margin data for L-3 for the three months ended June 30, 2005 (2005 Second Quarter) and June 30, 2004 (2004 Second Quarter). The first table presents the selected data segregated between L-3's U.S. Government contractor businesses and L-3's commercial businesses. The second table presents the selected data by reportable segment. See Note 15 to the unaudited condensed consolidated financial statements.

	Three Months Ended June 30,	
	2005	2004
	(in millions)	
Statement of Operations Presentation		
Sales:		
Contracts, primarily U.S. Government(1)	$ 1,866.8	$ 1,508.9
Commercial, primarily products(1)	208.8	171.1
Consolidated	$ 2,075.6	$ 1,680.0
Operating income:		
Contracts, primarily U.S. Government(1)	$ 209.8	$ 158.4
Commercial, primarily products(1)	15.1	19.7

Consolidated	$ 224.9	$ 178.1
Operating margin[2]:		
Contracts, primarily U.S. Government	11.2%	10.5%
Commercial, primarily products	7.2%	11.5%
Consolidated	10.8%	10.6%

Reportable Segment Presentation

Sales[3]:		
Secure Communications & ISR	$ 428.8	$ 413.6
Training, Simulation & Government Services	375.5	313.5
Aircraft Modernization, O&M and Products	681.4	551.2
Specialized Products	589.9	401.7
Consolidated	$ 2,075.6	$ 1,680.0
Operating income:		
Secure Communications & ISR	$ 55.1	$ 56.8
Training, Simulation & Government Services	43.0	35.3
Aircraft Modernization, O&M and Products	80.8	54.2
Specialized Products	46.0	31.8
Consolidated	$ 224.9	$ 178.1
Operating margin[2]:		
Secure Communications & ISR	12.8%	13.7%
Training, Simulation & Government Services	11.5%	11.3%
Aircraft Modernization, O&M and Products	11.9%	9.8%
Specialized Products	7.8%	7.9%
Consolidated	10.8%	10.6%

(1) Effective January 1, 2005, L-3's Microdyne Outsourcing Inc. (MOI) business was combined with the Ilex group and as a result of this business realignment, $7.0 million of 2004 second quarter sales and $0.2 million of 2004 second quarter operating income was reclassified from "Commercial, primarily products" to "Contracts, primarily U.S. Government".

(2) Operating margin is calculated by dividing operating income into sales.

(3) Sales are after intersegment eliminations. See Note 15 to the unaudited condensed consolidated financial statements.

Consolidated sales increased by $395.6 million, or 23.5%, to $2,075.6 million for the 2005 Second Quarter from $1,680.0 million for the 2004 Second Quarter. Consolidated organic sales growth was 11.7%, or $196.5 million. Organic sales growth for our defense businesses was 11.9%, or $179.4 million, driven by continued strong demand for secure communications and intelligence, surveillance and reconnaissance (ISR) systems and products, aircraft modernization, training and government services, training devices and security products. Organic sales growth for our commercial businesses was 10.0%, or $17.1 million, primarily due to volume increases for security products and commercial aviation. The increase in consolidated sales from acquired businesses was $199.1 million, or 11.8%. We define "organic sales growth," as the increase or decrease in sales for the current period compared to the prior period, excluding the increase in sales attributable to acquired businesses to the extent the acquired businesses were not included in our results of operations for the prior period, determined on a monthly basis. Sales for our "defense businesses" include our U.S. Government contractor businesses, all of which are presented under "Contracts, primarily U.S. Government" (Government Businesses) and sales for our "commercial businesses" are presented under "Commercial, primarily products" (Commercial Businesses).

Sales from our Government Businesses increased by $357.9 million, or 23.7%, to $1,866.8 million for the 2005 Second Quarter from $1,508.9 million for the 2004 Second Quarter. The increase in sales from acquired businesses was $178.5 million, or 11.8%. The acquired businesses include AVISYS, BAI Aerosystems, Bay Metals, Beamhit, Brashear, Cincinnati Electronics, D.P. Associates, Inc., Electronics Systems, the GEDD business and Sarnoff Video Security Systems, all of which were acquired in 2004, and Combat Propulsion Systems, Electron Technologies, Inc., MAPPS and Sonoma Design Group, Inc., which were acquired in 2005. Sales from our Commercial Businesses increased by $37.7 million, or 22.0%, to $208.8 million for the 2005 Second Quarter from $171.1 million for the 2004 Second Quarter. The increase in sales from acquired businesses was $20.6 million, or 12.0%. The acquired businesses include Infrared Products, which was acquired in 2004, and Infrared Vision Technology Corporation, Mobile-Vision, Inc., and Advanced Laser Systems Technology, Inc., which were acquired in 2005.

Consolidated costs and expenses increased by $348.8 million, or 23.2%, to $1,850.7 million for the 2005 Second Quarter from $1,501.9 million for the 2004 Second Quarter. Costs and expenses for our Government Businesses increased by $306.5 million, or 22.7%, to $1,657.0 million for the 2005 Second Quarter from $1,350.5 million for the 2004 Second Quarter. Costs and expenses for our Commercial Businesses increased by

$42.3 million, or 27.9%, to $193.7 million for the 2005 Second Quarter from $151.4 million for 2004 Second Quarter.

The increase to costs and expenses for our Government Businesses included $3.7 million for the recall and replacement of previously shipped products for the Combat Survivor Evader Locator (CSEL) program. The increase due to acquired businesses was $155.5 million. The remaining increase is primarily attributable to organic sales growth of our defense businesses. As described in Note 5 to the unaudited condensed consolidated financial statements, cost of sales for L-3's U.S. Government contractor businesses include selling, general and administrative (SG&A), independent research and development (IRAD) and bid and proposal (B&P) costs. These costs increased by $29.4 million to $175.7 million for the 2005 Second Quarter from $146.3 million for the 2004 Second Quarter, primarily attributable to acquired businesses and organic sales growth.

Cost of sales for our Commercial Businesses increased by $35.3 million to $135.1 million for the 2005 Second Quarter from $99.8 million for the 2004 Second Quarter. The increase in cost of sales was primarily due to increased costs attributable to changes in products sales mix for airport security systems and the Infrared Products acquired business. SG&A expenses increased by $5.0 million to $39.5 million for the 2005 Second Quarter from $34.5 million for the 2004 Second Quarter, and declined as a percentage of sales to 18.9% from 20.2% due primarily to higher sales volume. Research and development (R&D) expenses increased by $2.0 million to $19.1 million for the 2005 Second Quarter from $17.1 million for the 2004 Second Quarter, primarily due to R&D at our Infrared Products business, which we acquired on November 9, 2004, partially offset by lower R&D expenses for our Smartdeck™ product.

Consolidated operating income increased by $46.8 million, or 26.3%, to $224.9 million for the 2005 Second Quarter from $178.1 million for the 2004 Second Quarter. Consolidated operating margin increased to 10.8% for the 2005 Second Quarter from 10.6% for the 2004 Second Quarter. The changes in the operating margins for our segments are discussed below. Operating income for our Government Businesses increased by $51.4 million, or 32.4%, to $209.8 million for the 2005 Second Quarter from $158.4 million for the 2004 Second Quarter. Operating margin increased by 0.7 percentage points to 11.2% for the 2005 Second Quarter from 10.5% for the 2004 Second Quarter. Operating margin increased primarily due to higher margins for aircraft base operations support resulting from indirect cost reductions and incentive fees, and award fees earned on the Stratospheric Observatory for Infrared Astronomy (SOFIA) aircraft modification contract, higher sales volume and cost and performance improvements for training devices and higher margins from certain acquired businesses. These increases were partially offset by lower margins on certain secure communications contracts that are in the early stages of performance and unit sales prices on a follow-on contract for secure terminal equipment, which are lower than those on the previous contract. Margins were also reduced due to a charge of $3.7 million on the CSEL program as described above. Operating income for our Commercial Businesses decreased by $4.6 million, or 23.4%, to $15.1 million for the 2005 Second Quarter from $19.7 million for the 2004 Second Quarter. Operating margin decreased by 4.3 percentage points to 7.2% for the 2005 Second Quarter from 11.5% for the 2004 Second Quarter, primarily due to lower margins on airport security systems from changes in product sales mix.

Interest expense increased by $3.1 million to $38.5 million for the 2005 Second Quarter from $35.4 million for the 2004 Second Quarter because of slightly higher levels of outstanding debt during the 2005 Second Quarter compared to the levels of outstanding debt during the 2004 Second Quarter and $1.9 million of lower interest savings from interest rate swap agreements, which have been previously terminated. The annual incremental increase to interest expense as a result of the financings that we completed on July 29, 2005, related to the Titan acquisition, assuming that the term loan borrowings under our senior credit facility are not repaid and assuming a variable interest rate of 5.5%, is expected to be approximately $128.0 million per annum, or approximately $32.0 million per quarter.

Other (income) expense for the 2005 Second Quarter was $2.8 million of income and was primarily comprised of interest and investment income on our cash and cash equivalents. Other (income) expense for the 2004 Second Quarter was $2.4 million of expense and was primarily comprised of an increase in the fair value of the embedded derivatives related to L-3's contingent convertible debt, which was converted into shares of L-3 Holdings common stock in the fourth quarter of 2004, and losses on investments accounted for using the equity method.

Minority interests in net income of consolidated subsidiaries increased by $0.5 million to $2.2 million for the 2005 Second Quarter from $1.7 million for the 2004 Second Quarter, due to net income for Army Fleet Support LLC and for Aviation Communications and Surveillance Systems LLC.

The income tax provision was based on an effective income tax rate of 36.2% for the 2005 Second Quarter compared to an effective income tax rate of 36.5% for the 2004 Second Quarter. The decrease in the effective income tax rate was primarily due to a decrease in the tax rate on foreign earnings.

Basic earnings per share (EPS) increased by $0.17 to $1.00 for the 2005 Second Quarter from $0.83 for the 2004 Second Quarter. Diluted EPS increased by $0.21, or 26.9%, to $0.99 for the 2005 Second Quarter from $0.78 for the 2004 Second Quarter. Diluted weighted-average common shares outstanding increased by 3.4% to 121.0 million for the 2005 Second Quarter from 117.0 million for the 2004 Second Quarter. In accordance with the Emerging Issues Task Force (EITF) Issue No. 04-8, *The Effect of Contingently Convertible Debt on Diluted Earnings Per Share*, diluted EPS and weighted-average diluted common shares outstanding for the 2004 Second Quarter have been restated, resulting in a non-cash reduction to diluted EPS of $0.03.

SECURE COMMUNICATIONS & ISR

Sales within our Secure Communications & ISR segment increased by $15.2 million, or 3.7%, to $428.8 million for the 2005 Second Quarter from $413.6 million for the 2004 Second Quarter. Organic

sales growth was $12.5 million, or 3.0%, driven by an increase in upgrades of airborne mission and ISR systems for allied foreign governments on recently awarded competitive contracts, which were partially offset by volume declines for secure telephone equipment. The increase in sales from the BAI Aerosystems business, which was acquired on December 24, 2004, was $2.7 million.

Operating income decreased by $1.7 million to $55.1 million for the 2005 Second Quarter from $56.8 million for the 2004 Second Quarter because of lower operating margin. Operating margin decreased by 0.9 percentage points to 12.8% for the 2005 Second Quarter from 13.7% for the 2004 Second Quarter, primarily due to unit sales prices on a follow-on contract for secure terminal equipment, which are lower than those on the previous contract.

TRAINING, SIMULATION & GOVERNMENT SERVICES

Sales within our Training, Simulation & Government Services segment increased by $62.0 million, or 19.8%, to $375.5 million for the 2005 Second Quarter from $313.5 million for the 2004 Second Quarter. Organic sales growth was $44.0 million, or 14.0%, driven by increased volume for both training and government services. The increase in sales from acquired businesses was $18.0 million. The acquired businesses include Beamhit LLC, D.P. Associates Inc., the GEDD business and Sarnoff Video Security Systems, all of which were acquired in 2004.

Operating income increased by $7.7 million to $43.0 million for the 2005 Second Quarter from $35.3 million for the 2004 Second Quarter. Operating margin increased by 0.2 percentage points to 11.5% for the 2005 Second Quarter from 11.3% for the 2004 Second Quarter, due to higher margins on certain contracts nearing completion, and higher sales volume for training services, which were partially offset by lower margins on certain government services contracts.

AIRCRAFT MODERNIZATION, O&M AND PRODUCTS

Sales within our Aircraft Modernization, O&M and Products segment increased by $130.2 million, or 23.6%, to $681.4 million for the 2005 Second Quarter from $551.2 million for the 2004 Second Quarter. Organic sales growth was $108.0 million, or 19.6%, driven by higher sales for aircraft base operations, support and maintenance, including the U.S. Army Aviation and Missile Command (AMCOM) contract for the maintenance and logistics support for rotary-wing aircraft at Fort Rucker, Alabama, and the recently awarded Canadian Maritime Helicopter Program (MHP) that was competitively won. The increase in sales from acquired businesses was $22.2 million. The acquired businesses include AVISYS, Inc. and Electronics Systems, both of which were acquired in 2004.

Operating income increased by $26.6 million to $80.8 million for the 2005 Second Quarter from $54.2 million for the 2004 Second Quarter because of higher sales volume and higher operating margin. Operating margin increased by 2.1 percentage points to 11.9% for the 2005 Second Quarter from 9.8% for the 2004 Second Quarter. Higher margins for commercial aviation products due to cost performance and higher volumes increased operating margin by 0.7 percentage points. The remaining increase in operating margin was primarily due to higher margins for aircraft base operations support resulting from indirect cost reductions, incentive fees, and award fees earned on the Stratospheric Observatory for Infrared Astronomy (SOFIA) aircraft modification contract.

SPECIALIZED PRODUCTS

Sales within our Specialized Products segment increased by $188.2 million, or 46.9%, to $589.9 million for the 2005 Second Quarter from $401.7 million for the 2004 Second Quarter. Organic sales growth was $32.0 million, or 8.0%, primarily due to higher sales volume for training devices, related to new contracts competitively won in 2004, and for explosives detection systems (EDS). These increases were partially offset by volume declines for navigation products and undersea warfare products. The increase in sales from acquired businesses was $156.2 million. The acquired businesses include Bay Metals, Brashear LP, Infrared Products and Cincinnati Electronics, Inc., all of which were acquired in 2004, and MAPPS, Boeing Electron Technologies, Combat Propulsion Systems, ITC, Mobile-Vision, SDG, Inc., and ALST, all of which were acquired in the 2005 First Half.

Operating income increased by $14.2 million to $46.0 million for the 2005 Second Quarter from $31.8 million for the 2004 Second Quarter, primarily because of higher sales volume for training devices and EDS, partially offset by lower margins on airport security systems. Operating margin decreased by 0.1 percentage points to 7.8% for the 2005 Second Quarter from 7.9% for the 2004 Second Quarter. The 2005 Second Quarter included (i) a charge of $3.7 million for the recall and replacement of previously shipped products for the CSEL program, (ii) a $3.1 million charge for product reliability costs related to repairs of certain airborne dipping sonars used for acoustic undersea warfare applications, which repairs are substantially completed (the 2004

Second Quarter also included a charge of approximately $4.0 million related to costs incurred to repair airborne dipping sonars) and (iii) a $3.5 million charge on a telemetry earth station contract, which was assumed as part of a 2000 business acquisition, relating to the resolution of a customer dispute. These three provisions reduced operating margin by 1.0 percentage points. Additionally, lower margins on airport security systems from changes in product sales mix reduced operating margin by 1.3 percentage points. Operating margin increased by 0.8 percentage points due to higher sales volume and cost and performance improvements for training devices, and by 1.1 percentage points due to acquired businesses, which have higher margins than the other businesses in the segment. The remaining increase in operating margin was primarily due to continued improvement in margins for naval power equipment.

Six Months Ended June 30, 2005 Compared with Six Months Ended June 30, 2004

The tables below provide two presentations of sales, operating income and operating margin data for L-3 for the six months ended June 30, 2005 (2005 First Half) and June 30, 2004 (2004 First Half). The first table presents the selected data segregated between L-3's U.S. Government contractor businesses and L-3's commercial businesses. The second table presents the selected data by reportable segment. See Note 15 to the unaudited condensed consolidated financial statements.

	Six Months Ended June 30,	
	2005	2004
	(in millions)	
Statement of Operations Presentation		
Sales:		
Contracts, primarily U.S. Government[1]	$ 3,626.2	$ 2,890.1
Commercial, primarily products[1]	411.9	311.5
Consolidated	$ 4,038.1	$ 3,201.6
Operating income:		
Contracts, primarily U.S. Government[1]	$ 395.0	$ 300.6
Commercial, primarily products[1]	29.1	29.1
Consolidated	$ 424.1	$ 329.7
Operating margin[2]:		
Contracts, primarily U.S. Government	10.9%	10.4%
Commercial, primarily products	7.1%	9.3%
Consolidated	10.5%	10.3%
Reportable Segment Presentation		
Sales[3]:		
Secure Communications & ISR	$ 861.6	$ 797.9
Training, Simulation & Government Services	703.1	582.0
Aircraft Modernization, O&M and Products	1,359.2	1,073.8
Specialized Products	1,114.2	747.9
Consolidated	$ 4,038.1	$ 3,201.6
Operating income:		
Secure Communications & ISR	$ 108.9	$ 103.0
Training, Simulation & Government Services	72.9	67.2
Aircraft Modernization, O&M and Products	155.8	104.0
Specialized Products	86.5	55.5
Consolidated	$ 424.1	$ 329.7
Operating margin[2]:		
Secure Communications & ISR	12.6%	12.9%
Training, Simulation & Government Services	10.4%	11.5%
Aircraft Modernization, O&M and Products	11.5%	9.7%
Specialized Products	7.8%	7.4%
Consolidated	10.5%	10.3%

(1) Effective January 1, 2005, L-3's Microdyne Outsourcing Inc. (MOI) business was combined with the Ilex group and as a result of this business realignment, $14.2 million of 2004 First Half sales and $0.5 million of 2004 First Half operating income was reclassified from "Commercial, primarily products" to "Contracts, primarily U.S. Government".

(2) Operating margin is calculated by dividing operating income into sales.

(3) Sales are after intersegment eliminations. See Note 15 to the unaudited condensed consolidated financial statements.

Consolidated sales increased by $836.5 million, or 26.1%, to $4,038.1 million for the 2005 First Half from $3,201.6 million for the 2004 First Half. Consolidated organic sales growth was 15.7%, or $501.2 million. Organic sales growth for our defense businesses was 15.1%, or $436.6 million, driven by continued strong demand for secure communications and ISR systems and products, aircraft modernization, training and government services, training devices, and imaging and telemetry products. Organic sales growth for our commercial businesses was 20.7%, or $64.6 million, primarily due to volume increases for security and commercial aviation products. The increase in consolidated sales from acquired businesses was $335.3 million, or 10.4%.

Sales from our Government Businesses increased by $736.1 million, or 25.5%, to $3,626.2 million for the 2005 First Half from $2,890.1 million for the 2004 First Half. The increase in sales from acquired businesses was $299.5 million, or 10.4%. The acquired businesses include AVISYS, BAI Aerosystems, Bay Metals, Beamhit, Brashear, Cincinnati Electronics, D.P. Associates, Inc., Electronic Systems, the GEDD business and Sarnoff Video Security Systems, all of which were acquired in 2004, and Electron Technologies, MAPPS, Combat Propulsion Systems and SDG, Inc., which were acquired in the 2005 First Half. Sales from our Commercial Businesses increased by $100.4 million, or 32.2%, to $411.9 million for the 2005 First Half from $311.5 million for the 2004 First Half. The increase in sales from acquired businesses was $35.8 million, or 11.5%. The acquired businesses include Infrared Products, which was acquired in 2004, and ITC, Mobile-Vision and ALST, all of which were acquired in the 2005 First Half.

Consolidated costs and expenses increased by $742.1 million, or 25.8%, to $3,614.0 million for the 2005 First Half from $2,871.9 million for the 2004 First Half. Costs and expenses for our Government Businesses increased by $641.7 million, or 24.8%, to $3,231.2 million for the 2005 First Half from $2,589.5 million for the 2004 First Half. Costs and expenses for our Commercial Businesses increased by $100.4 million, or 35.6%, to $382.8 million for the 2005 First Half from $282.4 million for the 2004 First Half.

The increase to costs and expenses for our Government Businesses due to acquired businesses was $262.4 million. The remaining increase is primarily attributable to organic sales growth. SG&A, IRAD and B&P costs included in cost of sales for our Government Businesses were $346.6 million for the 2005 First Half, compared to $282.7 million for the 2004 First Half. The increase of $63.9 million was primarily attributable to the acquired businesses and organic sales growth.

Cost of sales for our Commercial Businesses increased by $85.5 million to $268.3 million for the 2005 First Half from $182.8 million for the 2004 First Half. The increase in cost of sales was primarily due to increased costs attributable to higher sales volume for our security and commercial aviation products and to the Infrared Products acquired business. SG&A expenses increased by $13.9 million to $81.0 million for the 2005 First Half from $67.1 million for the 2004 First Half, and declined as a percentage of sales to 19.7% from 21.5% due primarily to higher sales volume. R&D expenses increased by $1.0 million to $33.5 million for the 2005 First Half from $32.5 million for the 2004 First Half, primarily due to R&D at our Infrared Products business, which we acquired on November 9, 2004, partially offset by lower R&D expenses for our Smartdeck^{TM} product.

Consolidated operating income increased by $94.4 million, or 28.6%, to $424.1 million for the 2005 First Half from $329.7 million for the 2004 First Half. Consolidated operating margin increased to 10.5% for the 2005 First Half from 10.3% for the 2004 First Half. The changes in the operating margins for our segments are discussed below. Operating income for our Government Businesses increased by $94.4 million, or 31.4%, to $395.0 million for the 2005 First Half from $300.6 million for the 2004 First Half. Operating margin increased by 0.5 percentage points to 10.9% for the 2005 First Half from 10.4% for the 2004 First Half. Operating margin increased primarily due to incentive fees earned on the AMCOM contract, higher sales volume for aircraft base operations support and maintenance and higher sales volume and cost and performance improvements for training devices. These increases were partially offset by lower margins for the Training, Simulation and Government Services segment, that occurred during the first quarter of 2005, due to cost overruns on certain fixed price contracts and lower absorption of indirect costs primarily due to timing and lower volume. Operating margin was also reduced by a charge of approximately $4.0 million for the recall and

replacement of previously shipped products for the CSEL program. Operating income for our Commercial Businesses for the 2005 First Half was $29.1 million, the same as for the 2004 First Half. Operating margin decreased by 2.2 percentage points to 7.1% for the 2005 First Half from 9.3 % for the 2004 First Half, primarily due to lower margins on airport security systems from changes in product sales mix.

Interest expense increased by $4.7 million to $76.6 million for the 2005 First Half from $71.9 million for the 2004 First Half because of slightly higher levels of outstanding debt during the 2005 First Half compared to the levels of outstanding debt during the 2004 First Half and $2.3 million of lower interest savings from interest rate swap agreements, which have been previously terminated.

Other (income) expense for the 2005 First Half was $5.5 million of income and was primarily comprised of interest and investment income on our cash and cash equivalents. Other (income) expense for the 2004 First Half was $3.4 million of expense and was primarily comprised of an increase in the fair value of the embedded derivatives related to L-3's contingent convertible debt, which was converted into shares of L-3 Holdings' common stock in the fourth quarter of 2004, and losses on investments accounted for using the equity method.

Minority interests in net income of consolidated subsidiaries increased by $3.1 million to $5.4 million for the 2005 First Half from $2.3 million for the 2004 First Half, due to higher net income for Army Fleet Support LLC and for Aviation Communications and Surveillance Systems LLC.

The income tax provision was based on an effective income tax rate of 36.2% for the 2005 First Half compared to an effective income tax rate of 36.5% for the 2004 First Half. The decrease in the effective income tax rate was primarily due to a decrease in the tax rate on foreign earnings.

Basic EPS increased by $0.37 to $1.89 for the 2005 First Half from $1.52 for the 2004 First Half. Diluted EPS increased by $0.42, or 29.6%, to $1.84 for the 2005 First Half from $1.42 for the 2004 First Half. Diluted weighted-average common shares outstanding increased by 3.4% to 120.3 million for the 2005 First Half from 116.4 million for the 2004 First Half. In accordance with EITF Issue No. 04-8, diluted EPS and weighted-average diluted common shares outstanding for the 2004 First Half have been restated, resulting in a non-cash reduction to diluted EPS of $0.05.

SECURE COMMUNICATIONS & ISR

Sales within our Secure Communications & ISR segment increased by $63.7 million, or 8.0%, to $861.6 million for the 2005 First Half from $797.9 million for the 2004 First Half. Organic sales growth was $58.7 million, or 7.4%, driven by an increase in upgrades of airborne mission and ISR systems for allied foreign governments on recently awarded competitive contracts, which was partially offset by volume declines for secure telephone equipment. The increase in sales from the BAI Aerosystems business, which was acquired on December 24, 2004, was $5.0 million.

Operating income increased by $5.9 million to $108.9 million for the 2005 First Half from $103.0 million for the 2004 First Half because of higher sales volume, partially offset by lower operating margin. Operating margin decreased by 0.3 percentage points to 12.6% for the 2005 First Half from 12.9% for the 2004 First Half. Lower margins on certain contracts that are in the early stages of performance and lower unit sales prices on a follow-on contract for secure terminal equipment reduced the segment's operating margin by 1.2 percentage points. Additionally, the 2004 First Half included a loss on a production contract for transportable tactical satellite communications terminals, which did not recur in the 2005 First Half and increased operating margin by 0.6 percentage points.

TRAINING, SIMULATION & GOVERNMENT SERVICES

Sales within our Training, Simulation & Government Services segment increased by $121.1 million, or 20.8%, to $703.1 million for the 2005 First Half from $582.0 million for the 2004 First Half. Organic sales growth was $86.9 million, or 14.9%, driven by increased volume for both training and government services. The increase in sales from acquired businesses was $34.2 million. The acquired businesses include Beamhit LLC, D.P. Associates Inc., the GEDD business and Sarnoff Video Security Systems, all of which were acquired in 2004.

Operating income increased by $5.7 million to $72.9 million for the 2005 First Half from $67.2 million for the 2004 First Half. Operating margin decreased by 1.1 percentage points to 10.4% for the 2005 First Half from 11.5% for the 2004 First Half. Higher sales volume for training services increased operating margin by 1.5 percentage points. Lower margins for government services caused by cost overruns on certain fixed price contracts, and lower absorption of indirect costs due primarily to timing of indirect cost recognition, which are expensed as incurred, and lower sales volume decreased operating margin by 2.5 percentage points. The remaining decrease is primarily due to acquired businesses, which had lower margins than the other businesses in the segment.

AIRCRAFT MODERNIZATION, O&M AND PRODUCTS

Sales within our Aircraft Modernization, O&M and Products segment increased by $285.4 million, or 26.6%, to $1,359.2 million for the 2005 First Half from $1,073.8 million for the 2004 First Half. Organic sales growth was $239.7 million, or 22.3%, driven by higher sales for aircraft modernization and maintenance, including the AMCOM contract, and MHP and commercial aviation products due primarily to Federal Aviation Administration mandates for terrain awareness warning systems (TAWS), which became effective in March, 2005. The increase in sales from acquired businesses was $45.7 million. The acquired businesses include AVISYS, Inc. and Electronics Systems, both of which were acquired in 2004.

Operating income increased by $51.8 million to $155.8 million for the 2005 First Half from $104.0 million for the 2004 First Half because of higher sales volume and operating margin. Operating margin increased by 1.8 percentage points to 11.5% for the 2005 First Half from 9.7% for the 2004 First Half. Higher sales volume for commercial aviation products increased operating margin by 1.0 percentage points. The remaining increase is primarily due to incentive fees earned on the AMCOM contract and higher sales volume for aircraft base operations support and maintenance.

SPECIALIZED PRODUCTS

Sales within our Specialized Products segment increased by $366.3 million, or 49.0%, to $1,114.2 million for the 2005 First Half from $747.9 million for the 2004 First Half. Organic sales growth was $115.9 million, or 15.5%, primarily due to higher sales volume for training devices, related to new contracts competitively won in 2004, and for explosives detection systems (EDS), naval power equipment, imaging products and telemetry products. Theses increases were partially offset by volume declines for navigation products and undersea warfare

products. The increase in sales from acquired businesses was $250.4 million. The acquired businesses include Bay Metals, Brashear LP, Infrared Products and Cincinnati Electronics, Inc., all of which were acquired in 2004, and MAPPS, Boeing Electron Technologies, Combat Propulsion Systems, ITC, Mobile-Vision, SDG, Inc., and ALST, all of which were acquired in the 2005 First Half.

Operating income increased by $31.0 million to $86.5 million for the 2005 First Half from $55.5 million for the 2004 First Half, because of higher sales volume and operating margin. Operating margin increased by 0.4 percentage points to 7.8% for the 2005 First Half from 7.4% for the 2004 First Half. Operating margin increased by 1.0 percentage points due to higher sales volume and contract profit improvements for training devices, and 1.2 percentage points due to acquired businesses, which have higher margins than the other businesses in the segment. Operating margin decreased by 0.3 percentage points due to a charge of $4.3 million for the recall and replacement of previously shipped products for the CSEL program. The remaining decrease was primarily due to lower margins on airport security systems.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet

Contracts in process increased by $329.3 million to $2,308.3 million at June 30, 2005 from $1,979.0 million at December 31, 2004. The increase included (i) $156.3 million related to business acquisitions and (ii) $173.0 million principally from:

- increases of $61.9 million in unbilled contract receivables due to sales exceeding deliveries and billings for ISR systems and products, aircraft modernization and maintenance and training services. These increases were partially offset by decreases for training devices and government services due to deliveries and billings exceeding sales;

- increases of $63.1 million in billed receivables for aircraft base operations, support and maintenance, secure communication products, cockpit display systems and security products. These increases were partially offset by collections for government services and training devices;

- increases of $21.5 million in inventoried contract costs, primarily for secure network communications, acoustic undersea warfare products, naval power and propulsion products and naval power equipment services. These increases were partially offset by a decrease for ISR systems and products and aircraft operations and maintenance due to deliveries during the period; and

- increases of $26.5 million in inventories at lower of cost or market due to increases for airport security products and satellite communications products.

L-3's days sales outstanding (DSO) was 74.6 at June 30, 2005 compared with 71.8 at December 31, 2004. The increase in DSO was primarily due to the timing items discussed above. We calculate our DSO by dividing (i) our aggregate end of period billed receivables and net unbilled contract receivables, by (ii) our sales for the last twelve-month period adjusted, on a pro forma basis, to include sales from business acquisitions that we completed as of the end of the period (which amounted to $8,117.5 million for the twelve-month period ended June 30, 2005), multiplied by 365.

L-3's days inventory held (DIH) was 33.6 at June 30, 2005 compared with 33.3 at December 31, 2004. We calculate DIH by dividing (i) our aggregate end of period net inventoried contract costs and inventories at lower of cost or market, by (ii) our cost of sales for the last twelve-month period adjusted on a pro forma basis to include cost of sales from business acquisitions that we completed as of the end of the period (which amounted to $7,033.5 million), multiplied by 365.

The increase in property, plant and equipment (PP&E) during the 2005 First Half was principally related to the Electron Technologies and Combat Propulsion Systems acquired businesses. The percentage of depreciation expense to average gross PP&E decreased slightly to 6.1% for the 2005 First Half from 6.3% for the 2004 First Half. We did not change any of the depreciation methods or assets estimated useful lives that L-3 uses to calculate its depreciation expense.

Goodwill increased by $503.3 million to $4,558.1 million at June 30, 2005 from $4,054.8 million at December 31, 2004. The increase was comprised of (i) $492.1 million for business acquisitions completed during the 2005 First Half, (ii) $3.7 million for additional purchase price payments for certain business acquisitions completed prior to January 1, 2005, related to final closing date net assets, and (iii) net increases of $7.5 million primarily related to changes in estimates of fair value for acquired assets and liabilities assumed in connection with business acquisitions completed prior to January 1, 2005.

The increase in other current assets was primarily due to annual insurance premiums paid and certain other prepayments made during the 2005 First Half, as well as balances from business acquisitions completed during the 2005 First Half. The increase in other assets was primarily due to capitalized software development costs for new products, investments in equipment for training devices and investments accounted for using the equity method. The increase in accounts payable was primarily due to balances from business acquisitions completed during the 2005 First Half. The

increase in accrued employment costs was due to the timing of payments of salaries and wages to employees and to an increase in the number of employees related to business acquisitions completed during the 2005 First Half. The increase in billings in excess of costs and estimated profits was primarily attributable to balances from business acquisitions completed during the 2005 First Half. Customer advances increased due to an aircraft modernization contract and an ISR systems contract with foreign customers, an EDS contract with the Transportation Security Administration (TSA) and the business acquisitions we completed during the 2005 First Half. The increases in other current liabilities and other non-current liabilities were primarily due to balances from business acquisitions completed during the 2005 First Half. The increase in other non-current liabilities is also due to higher deferred income tax liabilities. The increase in pension and postretirement benefit liabilities was primarily due to pension expenses exceeding related cash contributions.

Statement of Cash Flows

Six Months Ended June 30, 2005 Compared with Six Months Ended June 30, 2004

Cash decreased to $410.7 million at June 30, 2005 from $653.4 million at December 31, 2004. The table below provides a summary of our cash flows for the periods indicated.

	Six Months Ended June 30,	
	2005	2004
	(in millions)	
Net cash from operating activities	$ 360.5	$ 244.0
Net cash used in investing activities	(633.1)	(159.4)
Net cash from financing activities	29.9	8.5
Net (decrease) increase in cash	$ (242.7)	$ 93.1

Operating Activities

We generated $360.5 million of cash from operating activities during the 2005 First Half, an increase of $116.5 million from the $244.0 million generated during the 2004 First Half. Net income increased by $61.7 million. Non-cash expenses increased by $18.4 million to $160.4 million for the 2005 First Half from $142.0 million for the 2004 First Half, primarily for contributions to employee savings plans in L-3 Holdings' common stock, higher depreciation expense and minority interests in net income of consolidated subsidiaries, partially offset by lower losses on investments. During the 2005 First Half, we used cash for changes in operating assets and liabilities of $21.6 million, compared to a use of cash of $58.1 million for the 2004 First Half. The use of cash for contracts in process was primarily driven by increases in billed and unbilled contract receivables for our defense businesses, as discussed above under "Liquidity and Capital Resources—Balance Sheet". The use of cash for other current assets was primarily due to annual insurance premiums paid, certain other prepayments made and deposits and advances paid to vendors during the 2005 First Half. The prepaid insurance premiums will be expensed over the remainder of 2005. The use of cash for other assets was primarily due to capitalized software development costs for new products and investments in equipment for training devices. The timing of payments to employees for salaries and wages was a source of cash because cost and expenses for salaries and wages exceeded the cash payments. The source of cash for customer advances was due to the receipt on certain foreign contracts and to orders received from the TSA for EDS. The source of cash from the change in pension and postretirement benefit liabilities was due to pension expenses exceeding related cash contributions. We made approximately $22.0 million of pension contributions during the 2005 First Half and we expect to contribute approximately $70.0 million to our pension plans for all of 2005. The source of cash from other liabilities was primarily due to an increase in our workers compensation and deferred compensation obligations.

The source of cash from income taxes was due to our provision for income taxes exceeding our income tax payments, primarily because of income tax deductions for compensation expense arising from the exercise of employee stock options.

Investing Activities

During the 2005 First Half, we used $586.3 million of cash for business acquisitions. We paid $576.7 million in connection with our 2005 business acquisitions discussed above. We also paid $9.6 million primarily for the remaining contractual purchase price for the BAI Aerosystems business and for an adjustment to the purchase price of D.P. Associates based on closing date net assets of the business. During the 2004 First Half, we used $131.3 million of cash for business acquisitions, primarily for the Beamhit and Brashear business acquisitions, the remaining contractual purchase price for certain of the defense and aerospace assets of IPICOM, Inc. and for the final contractual purchase price adjustment for the Vertex business acquisition.

On July 29, 2005, we acquired all of the outstanding shares of The Titan Corporation for $23.10 per share in cash. The total transaction value was approximately $2.8 billion, including the assumption of approximately $626.0 million of Titan's debt and related acquisition and financing expenses. The acquisition was financed using $452.8 million of cash on hand (approximately $59.0 million of which was acquired from Titan), $6.3 million of revolving credit borrowings and $750.0 million of term loan borrowings under our senior credit facility, and the

net proceeds from the issuances of $600.0 million of contingent convertible debt securities and $1.0 billion of senior subordinated notes issued at a price of 99.09% of principal.

Financing Activities

Debt

Senior Credit Facility. On March 9, 2005, we entered into a new $1.0 billion revolving five-year senior credit facility that matures on March 9, 2010. At the time we entered into this facility, our previously existing senior credit facility was terminated. At June 30, 2005, available borrowings were $895.7 million, after reductions for outstanding letters of credit of $104.3 million. There were no outstanding borrowings under our senior credit facility at June 30, 2005.

On July 29, 2005, in connection with the Titan acquisition discussed above, we entered into an amendment and restatement of our senior credit facility. The amended and restated credit facility provides for a term loan facility in an aggregate amount equal to $750.0 million in addition to the existing senior credit facility. The cash received from the term loan borrowings was used to pay a portion of the aggregate consideration required for the acquisition of Titan. The loans under the term loan facility are due and payable on March 9, 2010 and bear interest in the manner, and at the rates set forth in the existing senior credit facility. In addition, the consolidated leverage ratio covenant in the existing credit facility was amended to require that our consolidated leverage ratio be less than or equal to (1) 4.5 to 1.0 for each fiscal quarter ending on or prior to December 31, 2005, (2) 4.25 to 1 for the fiscal quarter ending on March 31, 2006 and (3) 4.0 to 1.0 for each fiscal quarter ending on or after June 30, 2006.

Debt Issuances. On July 29, 2005, L-3 Communications sold $1.0 billion of 6 3/8% Senior Subordinated Notes due October 15, 2015 (2005 Notes) at a discount of $9,100. Interest is payable semi-annually on April 15 and October 15 of each year, commencing October 15, 2005. The net cash proceeds from this offering amounted to $973.4 million after deducting the discounts and commissions and were used to pay a portion of the aggregate consideration required for the acquisition of Titan.

On July 29, 2005, L-3 Holdings sold $600.0 million of 3% Convertible Contingent Debt Securities (CODES) due August 1, 2035. Interest is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2006. The net cash proceeds from this offering amounted to $585.0 million after deducting the commissions and were used to pay a portion of the aggregate consideration required for the acquisition of Titan. On August 4, 2005, L-3 Holdings sold an additional $100.0 million of CODES, pursuant to an over-allotment option exercised by the initial purchasers of the CODES.

The 2005 Notes and the CODES are general unsecured obligations and are subordinated in right of payment to all existing and future senior debt of L-3.

Interest Rate Swap Agreements. Depending on current and expectations for future interest rate levels, we may enter into interest rate swap agreements to convert certain of our fixed interest rate debt obligations to variable interest rates, or terminate any existing interest rate swap agreements. The variable interest rate paid by us is equal to (i) the variable rate basis, plus (ii) the variable rate spread. There are no interest rate swap agreements currently outstanding. See Note 8 to the Unaudited Condensed Consolidated Financial Statements for a detailed table that presents the activity for our terminated interest rate swap agreements through June 30, 2005.

Our previously outstanding interest rate swap agreements reduced interest expense by $0.1 million during the 2005 Second Quarter, compared to $1.8 million during the 2004 Second Quarter and by $0.3 million during the 2005 First Half, compared to $2.1 million during the 2004 First Half. Interest expense was reduced by $0.8 million for the 2005 Second Quarter, compared to $1.1 million for the 2004 Second Quarter and by $1.6 million for the 2005 First Half, compared to $2.1 million for the 2004 First Half for amortization of net deferred gains on terminated interest rate swap agreements.

Debt Covenants. The senior credit facility and senior subordinated notes agreements contain financial covenants and other restrictive covenants. We are in compliance with those covenants in all material respects. See Note 8 to our consolidated financial statements for the fiscal year ended December 31, 2004, included in our Annual Report on Form 10-K filed on March 15, 2005, for a description of our debt and related financial covenants at December 31, 2004, as modified by the amendment and restatement discussed above. The borrowings under the senior credit facility are guaranteed by L-3 Holdings and by substantially all of the material wholly-owned domestic subsidiaries of L-3 Communications on a senior basis. The payments of principal and premium, if any, and interest on the senior subordinated notes are unconditionally guaranteed, on an unsecured senior subordinated basis, jointly and severally, by substantially all of L-3 Communications' restricted subsidiaries other than its foreign subsidiaries. The guarantees of the senior subordinated notes rank pari passu with one another and with the guarantees of the CODES and are junior to the guarantees of the senior credit facility.

Equity

On February 10, 2005, L-3 Holdings' Board of Directors increased L-3's regular quarterly cash dividend by 25% to $0.125 per share. On March 15, 2005, we paid cash dividends of $14.5 million to shareholders of record at the close of business on February 22, 2005.

On April 26, 2005, L-3 Holdings' Board of Directors declared a regular quarterly dividend of $0.125 per share. On June 15, 2005, we paid cash dividends of $14.8 million to shareholders of record at the close of business on May 17, 2005.

On July 12, 2005, our Board of Directors declared a regular quarterly dividend of $0.125 per share, payable on September 15, 2005 to shareholders of record at the close of business on August 17, 2005.

Anticipated Sources of Cash Flow

Based upon our current level of operations, we believe that our cash from operating activities, together with available borrowings under the senior credit facility, will be adequate to meet our anticipated requirements for working capital, capital expenditures, commitments, contingencies, research and development expenditures, contingent purchase prices, program and other discretionary investments, L-3 Holdings' dividends and interest payments for the foreseeable future. There can be no assurance, however, that our business will continue to generate cash flow at current levels, or that currently anticipated improvements will be achieved. If we are unable to generate sufficient cash flow from operations to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt or obtain additional financing. Our ability to make scheduled principal payments or to pay interest on or to refinance our indebtedness depends on our future performance and financial results, which, to a certain extent, are subject to general conditions

in or affecting the defense industry and to general economic, political, financial, competitive, legislative and regulatory factors beyond our control. There can be no assurance that sufficient funds will be available to enable us to service our indebtedness, to make necessary capital expenditures and to make discretionary investments.

Contingencies and other uncertainties

For a discussion of risks and uncertainties that could impact our results of operation, financial condition, or cash flows, see Note 12 to the unaudited condensed consolidated financial statements.

RECENTLY ISSUED ACCOUNTING STANDARDS

In December of 2004, the FASB revised its FASB Statement No. 123, *Accounting for Stock Based Compensation* (SFAS 123) and renamed it FASB Statement No. 123, *Share-Based Payment* (SFAS 123R). SFAS 123R requires that compensation expense relating to share-based payment transactions be recognized in financial statements at estimated fair value. The scope of SFAS 123R includes a wide range of share-based compensation arrangements, including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. This standard replaces SFAS 123 and supercedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*. We are currently assessing the provisions of SFAS 123R. We previously elected not to adopt the fair value based method of accounting for stock-based employee compensation as permitted by SFAS 123. The adoption of SFAS 123R will result in the recording of non-cash compensation expenses, which we do not currently recognize in our financial statements. In accordance with SFAS 123, we disclose pro forma net income and earnings per share adjusted for non-cash compensation expense arising from the estimated fair value of share-based payment transactions. For a further discussion of our accounting for stock-based employee compensation and disclosure of our pro forma historical net income and earnings per share, see Note 3 to the unaudited condensed consolidated financial statements. On April 15, 2005, the SEC issued Release No. 33-8568, *Amendment to Rule 4-01a of Regulation S-X Regarding the Compliance Date for Statement of Financial Accounting Standards No. 123 (Revised 2004), Share-Based Payment*. The SEC Release amends the effective date for compliance with SFAS 123R from July 1, 2005 to January 1, 2006.

On March 29, 2005, the SEC issued Staff Accounting Bulletin (SAB) No. 107, "*Share-Based Payment*" (SAB 107). SAB 107 provides guidance to assist registrants in the initial implementation of SFAS 123R. SAB 107 includes, but is not limited to, interpretive guidance related to share-based payment transactions with nonemployees, valuation methods and underlying expected volatility and expected term assumptions, the classification of compensation expenses and accounting for the income tax effects of share-based arrangements upon adopting the SFAS 123R. We are currently assessing the guidance provided in SAB 107 in connection with the implementation of SFAS 123R.

The U.S. enacted the American Jobs Creation Act of 2004 (the American Jobs Creation Act) in October 2004 which contains many provisions affecting corporate taxation. The American Jobs Creation Act phases out the extraterritorial income (ETI) exclusion benefit for export sales and phases in a new tax deduction for income from qualified domestic production activities (QPA) over a transition period beginning in 2005. In December 2004, the FASB issued FASB Staff Position 109-1 (FSP 109-1), which provides guidance that the QPA deduction should be treated as a special income tax deduction as described in SFAS 109. As such, QPA has no impact on our deferred tax assets or liabilities existing as of the enactment date. Rather, the QPA deduction will be reported in the period that the deductions are claimed on the our income tax returns. We have completed our evaluation of the net impact of the American Jobs Creation Act, and have determined that the benefit from phase-in of the QPA deduction will be substantially equivalent to the lost benefit from the phase-out of the ETI exclusion in 2005. We also determined that the other provisions included in the American Jobs Creation Act will not have a significant impact on our financial position, results of operations or cash flows.

In May of 2005, the FASB issued SFAS Statement No. 154, *Accounting Changes and Error Corrections*, which requires retrospective application of all voluntary changes in accounting principles

to all periods presented, rather than using a cumulative catch-up adjustment as currently required for most accounting changes under APB Opinion 20. This Statement replaces APB Opinion No. 20, *Accounting Changes*, and FASB Statement No. 3, *Reporting Accounting Changes in Interim Financial Statements*, and will be effective for accounting changes and error corrections made in fiscal years beginning after December 15, 2005.

In June of 2005, the FASB approved Emerging Issues Task Force (EITF) issued No. 05-06, *Determining the Amortization Period for Leasehold Improvements* (EITF 05-06). EITF 05-06 provides guidance on determining the amortization period for leasehold improvements acquired in a business combination or acquired subsequent to lease inception. The guidance requires that leasehold improvements acquired in a business combination or purchased subsequent to the inception of a lease be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date of the business combination or purchase. The guidance is effective for periods beginning after June 29, 2003. EITF 05-06 is not expected to have a material impact on our unaudited interim condensed consolidated financial statements.

Forward-Looking Statements

Certain of the matters discussed concerning our operations, cash flows, financial position, economic performance, and financial condition, including in particular, the likelihood of our success in developing and expanding our business and the realization of sales from backlog, include forward-looking statements within the meaning of section 27A of the Securities Act and Section 21E of the Exchange Act.

Statements that are predictive in nature, that depend upon or refer to events or conditions or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates" and similar expressions are forward-looking statements. Although we believe that these statements are based upon reasonable assumptions, including projections of orders, sales, operating margins, earnings, cash flow, research and development costs, working capital, capital expenditures and other projections, they are subject to several risks and uncertainties, and therefore, we can give no assurance that these statements will be achieved. Such statements will also be influenced by factors such as:

- our dependence on the defense industry and the business risks peculiar to that industry, including changing priorities or reductions in the U.S. Government defense budget;
- our reliance on contracts with a limited number of agencies of, or contractors to, the U.S. Government and the possibility of termination of government contracts by unilateral government action or for failure to perform;
- the extensive legal and regulatory requirements surrounding our contracts with the U.S. Government and the results of any investigation of our contracts undertaken by the U.S. Government;
- our ability to obtain future government contracts on a timely basis;
- the availability of government funding and changes in customer requirements for our products and services;
- our significant amount of debt and the restrictions contained in our debt agreements;
- our ability to continue to retain and train our existing employees and to recruit and hire new qualified and skilled employees, as well as our ability to retain and hire employees with U.S. Government security clearances that are required to perform work on classified contracts for the U.S. Government;
- our collective bargaining agreements and our ability to favorably resolve labor disputes should they arise;
- the business and economic conditions in the markets we operate in, including those for the commercial aviation and communications markets;
- economic conditions, competitive environment, international business and political conditions and timing of international awards and contracts;

- our extensive use of fixed-price type contracts as compared to cost-reimbursable type and time-and-material type contracts;
- our ability to identify future acquisition candidates or to integrate acquired operations;
- the rapid change of technology and high level of competition in the communication equipment industry;
- our introduction of new products into commercial markets or our investments in commercial products or companies;
- the outcomes of litigations material to us to which we currently are, or to which we may become in the future, a party;

- the outcomes of current and future governmental investigations of our businesses, including acquired businesses;
- costs or difficulties related to the integration of the businesses of us and Titan may be greater than expected;
- anticipated cost savings from the Titan acquisition may not be fully realized or realized within the expected time frame;
- operating results following the Titan acquisition may be lower than expected;
- ultimate resolution of contingent matters, claims and investigations relating to Titan;
- competitive pressure among companies in our industry may increase significantly;
- pension, environmental or legal matters or proceedings, including the Kalitta and OSI Systems and various other market, competition and industry factors, many of which are beyond our control; and
- the fair values of our assets, including identifiable intangible assets and the estimated fair value of the goodwill balances for our reporting units, which can be impaired or reduced by the other factors discussed above.

Readers of this document are cautioned that our forward-looking statements are not guarantees of future performance and the actual results or developments may differ materially from the expectations expressed in the forward-looking statements.

As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this filing to reflect events or changes or circumstances or changes in expectations or the occurrence of anticipated events.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Part II, Item 7, "Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources—Derivative Financial Instruments," of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 for a discussion of the Company's exposure to market risks. There were no substantial changes in those risks during the six months ended June 30, 2005.

Derivative Financial Instruments

Interest Rate Risk. Our financial instruments that are sensitive to changes in interest rates include borrowings under the senior credit facility and interest rate swap agreements, if outstanding, all of which are denominated in U.S. dollars. The interest rates on the senior subordinated notes are fixed-rate and are not affected by changes in interest rates.

In June of 2005, we terminated our interest rate swap agreement which was outstanding at December 31, 2004. At June 30, 2005, we did not have any interest rate swap agreements in place. We had no outstanding borrowings under our senior credit facility at June 30, 2005.

ITEM 4.

CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure

controls and procedures as of June 30, 2005. Based upon that evaluation and subject to the foregoing, our Chief Executive Officer and our Chief Financial Officer concluded that the design and operation of L-3's disclosure controls and procedures provided reasonable assurance that L-3's disclosure controls and procedures are effective to accomplish their objectives.

In addition, there was no change in L-3's internal control over financial reporting that occurred during the three months ended June 30, 2005, that has materially affected, or is reasonably likely to materially affect, L-3's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1.

LEGAL PROCEEDINGS

From time to time we are involved in legal proceedings arising in the ordinary course of our business or assumed in connection with business acquisitions. In particular, at the time of the Titan acquisition, Titan had a number of pending legal matters and governmental investigations as further discussed in Note 17 to the Unaudited Condensed Consolidated Financial Statements. We believe that we are adequately reserved for these liabilities and that there is no litigation that will have a material adverse effect on our consolidated results of operations, financial condition or cash flows. However, we are a party to a number of material litigations, including the matters described below, for which an adverse determination could have a material adverse effect on our consolidated financial position, results of operations or cash flows.

L-3 Integrated Systems and its predecessors have been involved in a litigation with Kalitta Air arising from a contract to convert Boeing 747 aircraft from passenger configuration to cargo freighters. The lawsuit was brought in the northern district of California on January 31, 1997. The aircraft were modified using Supplemental Type Certificates (STCs) issued in 1988 by the Federal Aviation Administration (FAA) to Hayes International, Inc. (Hayes/Pemco) as a subcontractor to GATX/Airlog Company (GATX). Between 1988 and 1990, Hayes/Pemco modified five aircraft as a subcontractor to GATX using the STCs. Between 1990 and 1994, Chrysler Technologies Airborne Systems, Inc. (CTAS), a predecessor to L-3 Integrated Systems, performed as a subcontractor to GATX and modified an additional five aircraft using the STCs. Two of the aircraft modified by CTAS were owned by American International Airways, the predecessor to Kalitta Air. In 1996, the FAA determined that the engineering data provided by Hayes/Pemco supporting the STCs was inadequate and issued an Airworthiness Directive that effectively grounded the ten modified aircraft. The Kalitta Air aircraft have not been in revenue service since that date. The matter was tried in January 2001 against GATX and CTAS with the jury finding fault on the part of GATX but rendering a unanimous defense verdict in favor of CTAS. Certain co-defendants had settled prior to trial. The U.S. Ninth Circuit Court of Appeals reversed and remanded the trial court's summary judgment rulings in favor of CTAS regarding a negligence claim by Kalitta Air, which asserts that CTAS as an expert in aircraft modification should have known that the STCs were deficient, and excluding certain evidence at trial. In preparation of such retrial, Kalitta Air submitted to us an expert report on damages that calculated Kalitta Air's damages at either $232 million or $602 million, depending on different factual assumptions. We retained experts whose reports indicate that, even in the event of an adverse jury finding on the liability issues at trial, Kalitta Air has already recovered amounts from the other parties to the initial suit that the Company believes more than fully compensated Kalitta Air for any damages it incurred. CTAS' insurance carrier has accepted defense of the matter with a reservation of its right to dispute its obligations under the applicable insurance policy in the event of an adverse jury finding. The retrial of this matter began on January 18, 2005 and ended on March 2, 2005 with a deadlocked jury and mistrial. At trial, Kalitta Air claimed damages of $235 million. Although no date has been set for any further proceedings, a second retrial may be necessary in this matter. By order dated July 22, 2005, the Trial Court granted our motion for judgment as a matter of law as to negligence, denied our motion for judgment as a matter of law as to negligent misrepresentation, and certified the decision for interlocutory appeal to the Ninth Circuit Court of Appeals. If accepted for review by the Ninth Circuit and possibly the California Supreme Court, all proceedings at the District Court will be stayed pending resolution of the appeals. The Company believes that it has meritorious defenses and intends to continue to vigorously defend this matter. However, litigation is inherently uncertain and it is possible that an adverse decision could be rendered, which could have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company.

On November 18, 2002, we initiated a proceeding against OSI Systems, Inc. (OSI) in the United States District Court sitting in the Southern District of New York seeking, among other things, a declaratory judgment that the Company had fulfilled all of our obligations under a letter of intent

with OSI (the "OSI Letter of Intent"). Under the OSI Letter of Intent, the Company was to negotiate definitive agreements with OSI for the sale of certain businesses the Company acquired from PerkinElmer, Inc. on June 14, 2002. On February 7, 2003, OSI filed an answer and counterclaims alleging, among other things, that we defrauded OSI, breached obligations of fiduciary duty to OSI and breached our obligations under the OSI Letter of Intent. OSI seeks damages in excess of $100 million, not including punitive damages. Under the OSI Letter of

Intent, we proposed selling to OSI the conventional detection business and the ARGUS business that the Company acquired from PerkinElmer, Inc. Negotiations with OSI lasted for almost one year and ultimately broke down over issues regarding, among other things, intellectual property, product-line definitions, allocation of employees and due diligence. Discovery on the matter is essentially complete. Summary judgment motions filed by both sides were not granted by the Court which found issues of fact for a jury to decide. A trial later this year, possibly as early as September or October 2005, is possible. The Company believes that the claims asserted by OSI in its suit are without merit and intends to defend against the OSI claims vigorously. However, litigation is inherently uncertain and it is possible that an adverse decision could be rendered, which could have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

On July 1, 2004, lawsuits were filed on behalf of the estates of 31 Russian children in state courts of Washington, Arizona, California, Florida, New York and New Jersey against Honeywell. Honeywell TCAS, the Company, ACSS, Thales USA and Thales France. The suits are based on facts arising out of the crash over southern Germany of a Bashkirian Airways Tupelov TU 154M aircraft and a DHL Boeing 757 cargo aircraft. On-board the Tupelov aircraft were 12 crew members and 57 passengers, including 45 children. The Boeing aircraft carried a crew of three. Both aircraft were equipped with Honeywell/ACSS Model 2000, Change 7 Traffic Collision and Avoidance Systems. Sensing the other aircraft, the on-board DHL TCAS instructed the DHL pilot to climb, and the Tupelov on-board TCAS instructed the Tupelov pilot to descend. However, the Swiss air traffic controller ordered the Tupelov pilot to climb. The Tupelov pilot disregarded the on-board TCAS and put the Tupelov aircraft into climb striking the DHL aircraft in midair at approximately 35,000 feet. All crew and passengers of both planes were lost. Investigations by the NTSB after the crash revealed that both TCAS units were performing as designed. The suits allege negligence and strict product liability based upon the design of the units and the training provided to resolve conflicting commands and seek compensatory damages. The Company's insurers have accepted defense of the matter and retained counsel. All parties have agreed to litigate this matter in the Federal Court in New Jersey and to dismiss the actions brought in the state courts.

On April 4, 2005, Lockheed Martin Corporation (Lockheed) filed a lawsuit against L-3 Integrated Systems in the Federal District Court for the Northern District of Georgia alleging misappropriation of proprietary information and breach of a license agreement. The lawsuit arises out of L-3 Integrated Systems' pursuit of the Republic of Korea's P-3 Lot II Maritime Patrol Aircraft Program as a subcontractor to Korean Airspace Industries. Lockheed claims that in connection with this subcontracting effort, L-3 Integrated Systems will use certain Lockheed proprietary information in violation of both a prior settlement agreement between Lockheed and the U.S. Government, and a license agreement between Lockheed and L-3 Integrated Systems because L-3 Integrated Systems is acting as a subcontractor (as opposed to a prime contractor) to the Republic of Korea. Lockheed is seeking an injunction prohibiting L-3 Integrated Systems from using the proprietary P-3 data in violation of the existing agreements and unspecified money damages. On the same date, L-3 Integrated Systems filed a lawsuit against Lockheed in the Federal District Court for the Northern District of Texas for, among other things, a declaratory judgment regarding L-3 Integrated Systems' right to use P-3 data and for breach of the license agreement by Lockheed. We believe that the claims asserted by Lockheed in its suit are without merit and intend to defend against the Lockheed claims vigorously.

ITEM 4.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On April 26, 2005, at the Company's Annual Meeting of Stockholders, the following proposals were acted upon:

(1) Three nominees for the Board of Directors were elected to three-year terms expiring in 2008. The votes were as follows:

	For	Withheld
Frank C. Lanza	99,243,833	2,470,295
John M. Shalikashvili	99,976,506	1,737,622
John P. White	100,727,157	986,971

Directors whose term of office continued after the Company's 2005 Annual Meeting of Stockholders and who were not subject to election at the 2005 Annual Meeting of Stockholders are Thomas A. Corcoran, Claude R. Canizares and Alan H. Washkowitz, whose terms expire in 2007, and Robert B. Millard and Arthur L. Simon, whose terms expire in 2006.

(2) The selection of PricewaterhouseCoopers LLP to serve as the independent registered public accounting firm for 2005 was ratified. The votes were as follows:

For	98,899,077
Against	2,148,528
Abstain	666,523

ITEM 5.

Other Information

On July 12, 2005, the Compensation Committee of our Board of Directors approved an increase in the base salary of one of the named executive officers, Robert W. Drewes, Vice President of L-3 Holdings and President and Chief Operating Officer of L-3 Integrated Systems Group. Mr. Drewes base salary was increased to $450,000 effective as of July 1, 2005.

ITEM 6.

(a) Exhibits

EXHIBITS

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger dated as of June 2, 2005 among L-3 Communications Corporation, Saturn VI Acquisition Corp. and The Titan Corporation (incorporated by reference to Exhibit 3.1 to the Registrants' Current Report on Form 8-K filed on June 6, 2005).
3.1	Certificate of Incorporation of L-3 Communications Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Registrants' Quarterly Report on Form 10-Q for the period ended June 30, 2002).
3.2	By laws of L-3 Communications Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 (File No. 333-46975)).
3.3	Certificate of Incorporation of L-3 Communications Corporation (incorporated by reference to Exhibit 3.1 to L-3 Communications Corporation's Registration Statement on Form S-4 (File No. 333-31649)).
3.4	Bylaws of L-3 Communications Corporation (incorporated by reference to Exhibit 3.2 to L-3 Communications Corporation's Registration Statement on Form S-4 (File No. 333-31649)).
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to L-3 Communications Holdings' Registration Statement on Form S-1 No. 333-46975).
**10.40	Amended and Restated Credit Agreement, dated as of July 29, 2005, among L-3 Communications Corporation, L-3 Communications Holdings, Inc. and certain subsidiaries of the Company from time to time party thereto as guarantors, the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent.
**10.55	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of May 21, 2003 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.63	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of June 28, 2002 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.65	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of December 22, 2003 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.68	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of November 12, 2004 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.

Exhibit Number	Description of Exhibit
**10.69	Indenture dated as of July 29, 2005 (the "2005 Notes Indenture") among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as Trustee.
**10.70	Indenture dated as of July 29, 2005 (the "2005 CODES Indenture") among L-3 Communications Holdings, Inc., the guarantors named therein and The Bank of New York, as Trustee.
**10.71	Purchase Agreement dated as of July 27, 2005 among L-3 Communications Corporation, the Guarantors and Lehman Brothers Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and Credit Suisse First Boston LLC, as representatives of the initial purchasers.
**10.72	Purchase Agreement dated as of July 27, 2005 among L-3 Communications Holdings, Inc.,

	the Guarantors and Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC and Banc of America Securities LLC, as representatives of the initial purchasers.
**10.73	Registration Rights Agreement dated as of July 29, 2005 among L-3 Communications Corporation, the Guarantors and Lehman Brothers Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and Credit Suisse First Boston LLC, as representatives of the initial purchasers.
**10.74	Registration Rights Agreement dated as of July 29, 2005 among L-3 Communications Holdings, Inc., the Guarantors and Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC and Banc of America Securities LLC, as representatives of the initial purchasers.
*11	L-3 Communications Holdings, Inc. Computation of Basic Earnings Per Share and Diluted Earnings Per Share.
**12.1	Ratio of Earnings to Fixed Charges.
**31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
**31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
**32	Section 1350 Certifications.

* The information required in this exhibit is presented in Note 10 to the Unaudited Condensed Consolidated Financial Statements as of June 30, 2005 in accordance with the provisions of SFAS No. 128, *Earnings Per Share.*

** Filed herewith.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

L-3 Communications Holdings, Inc. and
L-3 Communications Corporation
Registrants

Date: August 9, 2005

/s/Michael T. Strianese
Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger dated as of June 2, 2005 among L-3 Communications Corporation, Saturn VI Acquisition Corp. and The Titan Corporation (incorporated by reference to Exhibit 3.1 to the Registrants' Current Report on Form 8-K filed on June 6, 2005).
3.1	Certificate of Incorporation of L-3 Communications Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Registrants' Quarterly Report on Form 10-Q for the period ended June 30, 2002).
3.2	By laws of L-3 Communications Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 (File No. 333-46975)).
3.3	Certificate of Incorporation of L-3 Communications Corporation (incorporated by reference to Exhibit 3.1 to L-3 Communications Corporation's Registration Statement on Form S-4 (File No. 333-31649)).
3.4	Bylaws of L-3 Communications Corporation (incorporated by reference to Exhibit 3.2 to L-3 Communications Corporation's Registration Statement on Form S-4 (File No. 333-31649)).
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to L-3 Communications Holdings' Registration Statement on Form S-1 No. 333-46975).

**10.40	Credit Agreement, dated as of July 29, 2005, among L-3 Communications Corporation, L-3 Communications Holdings, Inc. and certain subsidiaries of the Company from time to time party thereto as guarantors, the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent.
**10.55	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of May 21, 2003 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.63	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of June 28, 2002 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.65	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of December 22, 2003 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.68	Supplemental Indenture dated as of July 29, 2005 among L-3 Communications Corporation, The Bank of New York, as trustee, and the guarantors named therein to the Indenture dated as of November 12, 2004 among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as trustee.
**10.69	Indenture dated as of July 29, 2005 (the "2005 Notes Indenture") among L-3 Communications Corporation, the guarantors named therein and The Bank of New York, as Trustee.

Exhibit Number	Description of Exhibit
**10.70	Indenture dated as of July 29, 2005 (the "2005 CODES Indenture") among L-3 Communications Holdings, Inc., the guarantors named therein and The Bank of New York, as Trustee.
**10.71	Purchase Agreement dated as of July 27, 2005 among L-3 Communications Corporation, the Guarantors and Lehman Brothers Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and Credit Suisse First Boston LLC, as representatives of the initial purchasers.
**10.72	Purchase Agreement dated as of July 27, 2005 among L-3 Communications Holdings, Inc., the Guarantors and Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC and Banc of America Securities LLC, as representatives of the initial purchasers.
**10.73	Registration Rights Agreement dated as of July 29, 2005 among L-3 Communications Corporation, the Guarantors and Lehman Brothers Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and Credit Suisse First Boston LLC, as representatives of the initial purchasers.
**10.74	Registration Rights Agreement dated as of July 29, 2005 among L-3 Communications Holdings, Inc., the Guarantors and Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC and Banc of America Securities LLC, as representatives of the initial purchasers.
*11	L-3 Communications Holdings, Inc. Computation of Basic Earnings Per Share and Diluted Earnings Per Share.
**12.1	Ratio of Earnings to Fixed Charges.
**31.1	Certification of Chief Executive Officer pursuant to Rule 13a - 14(a) and Rule 15d - 14(a) of the Securities Exchange Act, as amended.
**31.2	Certification of Chief Financial Officer pursuant to Rule 13a - 14(a) and Rule 15d - 14(a) of the Securities Exchange Act, as amended.
**32	Section 1350 Certifications.

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* The information required in this exhibit is presented in Note 10 to the Unaudited Condensed Consolidated Financial Statements as of June 30, 2005 in accordance with the provisions of SFAS No. 128, Earnings Per Share.

** Filed herewith.

EXHIBIT 10.40
EXECUTION COPY

CUSIP NO.: 502414AA3
REVOLVING COMMITMENT: 502414AB1
TERM LOAN COMMITMENT: [_____]

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of July 29, 2005

among

L-3 COMMUNICATIONS CORPORATION,
as the Borrower,

The Guarantors Party Hereto,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender
and
an L/C Issuer,

and

LEHMAN COMMERCIAL PAPER INC.
as Syndication Agent

and

The Other Lenders Party Hereto

BANC OF AMERICA SECURITIES LLC,

and

LEHMAN BROTHERS INC.
as

Joint Lead Arrangers and Joint Book Managers

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CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT ("Agreement"), dated as of July 29, 2005, among L-3 COMMUNICATIONS CORPORATION, a Delaware corporation (the "Borrower"), the Guarantors (as defined herein), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, AMENDS AND RESTATES IN FULL the Credit Agreement, dated as of March 9, 2005, among the Borrower, certain affiliates of the Borrower, each lender from time to time party thereto (the "Original Lenders"), and Bank of America, N.A., as administrative agent, swing line lender and an L/C issuer (the "Existing Credit Agreement").

WHEREAS, the Borrower has requested that the Lenders (i) provide a term loan facility in an aggregate amount of $750,000,000 for the purposes hereinafter set forth and (ii) agree to amend and restate the Existing Credit Agreement;

WHEREAS, it is the intent of the parties hereto to amend and restate in its entirety the Existing Credit Agreement and that, from and after the Closing Date, the Existing Credit Agreement shall be of no force and effect except to evidence the terms and conditions under which the Borrower heretofore has incurred obligations and liabilities to the Original Lenders and the

Administrative Agent (as evidenced by the Existing Credit Agreement and the Administrative Agent's books and records); and

WHEREAS, the Lenders are willing to amend and restate the Existing Credit Agreement and continue to extend credit to the Borrower upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.01 DEFINED TERMS.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition" by any Person, means the acquisition by such Person (other than a transaction that would be classified as a capital expenditure in accordance with GAAP), in a single transaction or in a series of related transactions, of all or any substantial portion of the property of another Person, all or any substantial portion of any division or business unit of any Person, or at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Additional Subordinated Debt" means any unsecured Indebtedness for borrowed money of the Borrower or any of its Subsidiaries incurred after the Initial Closing Date which (a) to the

extent such Indebtedness refinances any Existing Subordinated Debt, requires no cash payments of principal prior to the Maturity Date, (b) does not contain limitations on the ability of Borrower or any of its Subsidiaries to incur Indebtedness which are more restrictive than those found in Section 4.09 (Incurrence of Indebtedness and Issuance of Preferred Stock) of the 2004 Indenture, and (c) is subordinated to the Obligations on terms no less favorable to the Lenders than those governing the 2004 Senior Subordinated Notes.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders. The aggregate principal amount of the Revolving Commitments of all the Lenders on the Closing Date is ONE BILLION DOLLARS ($1,000,000,000).

"Agreement" means this Amended and Restated Credit Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"Alternative Currency" means any currency (other than Dollars) of a country that is a member of the Organization for Economic Cooperation and Development that is freely tradable and convertible into Dollars, any other currency which is freely tradable and convertible into Dollars and any other currency approved by the applicable L/C Issuer and the Administrative Agent.

"Applicable Percentage" means with respect to any Lender (a) with respect to such Lender's Revolving Commitment at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time; provided that, if the commitment of each Lender to make Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments, and (b) with respect to such Lender's outstanding Term Loans at any time, the percentage, of the total

aggregate principal amount of the Term Loan represented by Term Loans held by such Lender at such time. The initial Applicable Percentage of each Lender is set forth in the commitment notification delivered by the Administrative Agent and the Borrower to such Lender or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means, from time to time, the following percentages per annum, based upon the Debt Rating as set forth below:

<TABLE>

PRICING LEVEL	DEBT RATING	COMMITMENT FEE	APPLICABLE MARGIN FOR LIBOR LOANS	APPLICABLE MARGIN FOR BASE RATE LOANS	FINANCIAL LETTER OF CREDIT FEE	COMMERCIAL AND PERFORMANCE LETTER OF CREDIT FEE
1	< BB / Ba2 / BB / unrated	0.375%	1.750%	0.750%	1.750%	1.31250%
2	BB / Ba2 / BB	0.250%	1.250%	0.250%	1.250%	0.93750%
3	BB+ / Ba1 / BB+	0.225%	1.000%	0.000%	1.000%	0.75000%
4	BBB- / Baa3 / BBB-	0.200%	0.875%	0.000%	0.875%	0.65625%
5	BBB / Baa2 / BBB	0.150%	0.750%	0.000%	0.750%	0.56250%
6	>= BBB+ / Baa1 / BBB+	0.125%	0.625%	0.000%	0.625%	0.46875%

</TABLE>

"Debt Rating" means, as of any date of determination, the rating as determined by the Ratings Agencies (collectively, the "Debt Ratings") of the Borrower's non credit enhanced, senior unsecured long term debt; provided that if a Debt Rating is issued by each of the Ratings Agencies and there is a split rating, then the two highest of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 6 being the highest and the Debt Rating for Pricing Level 1 being the lowest) in determining the Pricing Level. If there is a split in Debt Ratings of the two highest ratings of the Ratings Agencies, then the lower Debt Rating of the two highest shall apply in determining the Pricing Level or, if there is a multiple split in Debt Ratings of the two highest ratings of the Ratings Agencies, then the Debt Rating that is one level lower than the highest rating shall apply in determining the Pricing Level.

Initially, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 5.01(a)(vi). Thereafter, each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit H or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) the amount of any Capital Lease Obligations of any Person, (b) in respect of any Synthetic Lease Obligation, the capitalized

amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease and (c) in respect of any Securitization Transaction of any Person, the outstanding principal amount of such financing, after taking into account reserve accounts.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2003, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Availability Period" means, with respect to the Revolving Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to Section 9.02.

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Committed Loan" means a Committed Loan that is a Base Rate Loan.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 11.02(c).

"Borrowing" means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

"Business" has the meaning specified in Section 6.10.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York or the state where the Administrative Agent's Office is located are authorized or required to close under applicable Laws or are in fact closed and, if such day relates to any Eurodollar Rate Loan, shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

"Capital Lease" means, as applied to any Person, any lease of any property by that Person as lessee which, in accordance with GAAP, is required to be accounted for as a capital lease on the balance sheet of that Person.

"Capital Lease Obligations" means, of any Person as of the date of determination, the aggregate liability of such Person under Capital Leases reflected on a balance sheet of such Person under GAAP.

"Cash Collateralize" has the meaning specified in Section 2.03(g).

"Cash Equivalents" means (a) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed or insured by the United States Government or any agency thereof, (b) certificates of deposit and time deposits with maturities of one year or less from the date of acquisition and overnight bank deposits of any Lender or of any commercial bank having capital and surplus in excess of $500,000,000, (c) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than one year with respect to securities issued or fully guaranteed or insured by the United States Government, (d) commercial paper of a domestic issuer rated at least A-2 by S&P, P-2 by Moody's or F-2 by Fitch, or carrying an equivalent rating by a nationally recognized rating agency if both of S&P and Moody's cease publishing ratings of investments, (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P, A by Moody's or A by Fitch, (f) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition or (g) shares of money market mutual or similar funds (excluding hedge funds) which (i) invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition, (ii) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940 or (iii) are rated AAA by S&P, Aaa by Moody's or AAA by Fitch.

"Change in Law" means the occurrence, after the date of this Agreement (or, in the case of an Eligible Assignee, after the date such Eligible Assignee becomes a party to this Agreement), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Change of Control" means an event or series of events by which:

(a) any "person" (as such term is defined in Section 13(d)(3) of the Exchange Act) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 35% of the Voting

Stock (measured by voting power rather than number of shares) of Holdings (or in the event Holdings is merged with and into the Borrower, the Borrower);

(b) a majority of the members of the board of directors of Holdings (or in the event Holdings is merged with and into the Borrower, the Borrower) fail to be (a) members of the board of directors of Holdings incumbent as of the Closing Date, or (b) members nominated by the members of the board of directors of Holdings incumbent on the Closing Date, or (c) members appointed by members of the board of directors of Holdings nominated under clause (a) or (b);

(c) Holdings (unless it is merged with and into the Borrower) shall, at any time, cease to own 100% of the Equity Interests of the Borrower;

(d) a "Change of Control" (or any comparable term) shall have occurred under, and as defined in, the 2004 Senior Subordinated Note Documents; or

(e) a "Change of Control" (or any comparable term) shall have occurred under, and as defined in, the documentation governing any Additional Subordinated Debt.

"Closing Date" means July 29, 2005.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means a collective reference to the collateral which is identified in, and at any time will be covered by, the Collateral Documents.

"Collateral Documents" means a collective reference to the Pledge Agreement and such other documents executed and delivered in connection with the attachment and perfection of the Administrative Agent's security interests, for the benefit of the holders of the Obligations, in certain Equity Interests of each Domestic Subsidiary (other than Immaterial Subsidiaries) and certain Foreign Subsidiaries (other than Immaterial Subsidiaries) of a Loan Party as required by Section 7.08 or 7.09, including without limitation, UCC financing statements.

"Collateral Effective Date" means the first date (or, if a Collateral Release Date shall have occurred, the first date after such Collateral Release Date) of the public announcement upon which two of the three Ratings Agencies reduce the Debt Rating below BBB- or the equivalent, unless the Collateral Termination Date shall occur prior to such date (notwithstanding any reduction in the Debt Rating after the Collateral Termination Date).

"Collateral Release Date" means the first date (subsequent to any Collateral Effective Date) of the public announcement upon which two of the three Ratings Agencies increase the Debt Rating to BBB- or the equivalent.

"Collateral Termination Date" means the first date of the public announcement upon which all three Rating Agencies have Debt Ratings of at least BBB- or equivalent, provided that, if such date occurs before the Collateral Effective Date, then the Collateral Effective Date shall not occur notwithstanding any subsequent reduction in Debt Ratings.

"Commitment" means, as to each Lender, the Revolving Commitment of such

Lender and/or the Term Loan Commitment of such Lender.

"Committed Borrowing" means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Committed Loan" means each Revolving Loan and Term Loan.

"Committed Loan Notice" means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A.

"Commonly Controlled Entity" means an entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the Borrower and which is treated as a single employer under Section 414(b) or (c) of the Code.

"Compliance Certificate" means a certificate substantially in the form of Exhibit G.

"Confidential Information Memorandum" means the Confidential Information Memorandum dated July 2005 and delivered to the Lenders in connection with the financing hereunder.

"Consolidated Cash Interest Expense" means, as of the last day of any fiscal quarter, the sum of the amount of interest expense, payable in cash, of the Borrower and its Consolidated Subsidiaries for the four fiscal quarters ended on such date plus the amount of interest expense, payable in cash, of Holdings with respect to Indebtedness (including Disqualified Preferred Stock) guaranteed by the Borrower or any of its Consolidated Subsidiaries for the four fiscal quarters ended on such date, determined on a consolidated basis in accordance with GAAP for such period.

"Consolidated EBITDA" means, for any period, for the Borrower and its Consolidated Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income (excluding, without duplication, (v) impairment losses incurred on goodwill and other intangible assets or on debt or equity investments computed in accordance with Financial Accounting Standard No. 142 or other GAAP, (w) gains or losses incurred on the retirement of debt computed in accordance with Financial Accounting Standard No. 145, (x) extraordinary gains and losses in accordance with GAAP (y) gains and losses in connection with asset dispositions whether or not constituting extraordinary gains and losses and (z) non-cash gains or losses on discontinued operations) for such period plus the following to the extent deducted in calculating such Consolidated Net Income: (a) Consolidated Interest Expense of the Borrower and its Consolidated Subsidiaries (and all Consolidated Interest Expense of Holdings with respect to Indebtedness guaranteed by the Borrower and its Subsidiaries) for such period, (b) the provision for Federal, state, local and foreign income taxes payable by the Borrower and its Consolidated Subsidiaries for such period, (c) depreciation and amortization expense for such period, (d) non-cash stock-based compensation expenses for such period and (e) to the extent not included in clauses (a) through

(d) above, the adjustments specified on Schedule 1.01(a), each as determined on a consolidated basis in accordance with GAAP.

"Consolidated Funded Indebtedness" means, as of any date of determination, for the Borrower and its Consolidated Subsidiaries on a consolidated basis, the sum of (a) all Indebtedness outstanding on such date for borrowed money or with respect to Disqualified Preferred Stock, the deferred purchase price of property or services, to the extent, if any, reflected as a liability on the balance sheet of the Borrower and its Consolidated Subsidiaries on such date in accordance with GAAP and the amount of Capital Lease Obligations outstanding on such date plus (b) all Indebtedness of Holdings outstanding on such date for borrowed money or with respect to Disqualified Preferred Stock, in each case only to the extent guaranteed by the Borrower or any of its Consolidated Subsidiaries.

"Consolidated Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ended on such date to (b) Consolidated Cash Interest Expense for such period, each as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, as of the last day of any fiscal quarter, the sum of the amount of interest expense of the Borrower and its

Consolidated Subsidiaries for the four fiscal quarters ended on such date plus the amount of interest expense of Holdings with respect to Indebtedness (including Disqualified Preferred Stock) guaranteed by the Borrower or any of its Consolidated Subsidiaries for the four fiscal quarters ended on such date, determined on a consolidated basis, each in accordance with GAAP for such period.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) (i) Consolidated Funded Indebtedness as of such date minus (ii) the Designated Cash Balances to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

"Consolidated Net Income" means, for any period, for the Borrower and its Consolidated Subsidiaries on a consolidated basis, the net income of the Borrower and its Consolidated Subsidiaries for that period, determined on a consolidated basis in accordance with GAAP for such period.

"Consolidated Senior Indebtedness" means, for any period for the Borrower and its Consolidated Subsidiaries on a consolidated basis, the sum of (a) Consolidated Funded Indebtedness minus (b) Subordinated Debt of the Borrower and Indebtedness of Holdings which is guaranteed by the Borrower on a subordinated basis on terms no less favorable to the Lenders than the subordination provisions contained in the 2004 Senior Subordinated Notes.

"Consolidated Senior Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Senior Indebtedness as of such date to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

"Consolidated Subsidiary" means any Subsidiary which is consolidated with the Borrower for financial reporting purposes under GAAP.

"Consolidated Total Assets" means, as of any date of determination, all assets of the Borrower and its Consolidated Subsidiaries as determined according to the consolidated balance sheet contained in the most recent SEC filing.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Cumulative Asset Sale Amount" means, on any Required Prepayment Date, the excess, if any, of (a) Net Proceeds received by the Borrower or any of its Subsidiaries since the Initial Closing Date minus (b) the aggregate amount of (i) investments made by the Borrower and its Subsidiaries since the Initial Closing Date in assets employed in their respective businesses or in a Similar Business and (ii) Acquisitions made by the Borrower and its Subsidiaries since the Initial Closing Date.

"Debt Rating" has the meaning specified in the definition of "Applicable Rate."

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Defaulting Lender" means any Lender that (a) has failed to fund any portion of the Committed Loans, participations in L/C Obligations or participations in Swing Line Loans required to be funded by it hereunder within

one Business Day of the date required to be funded by it hereunder, and such failure has not been cured, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, and such failure has not been cured, unless the subject of a good faith dispute, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

"Designated Cash Balances" means, at any time, the lesser of (a) the actual unrestricted domestic cash balances on hand of the Borrower and its Subsidiaries which are not subject to any Liens in favor of any Person in excess of $25,000,000 and (b) $250,000,000.

"Disqualified Preferred Stock" means any stock (other than common stock) issued by a Person which is not classified as shareholders' equity on a balance sheet of such Person in accordance with GAAP.

"Dollar" and "$" mean lawful money of the United States.

"Dollar Equivalent" means, at any date, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of such date) for the purchase of Dollars with such Alternative Currency.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender (unless a transfer to such Affiliate would result in increased costs to the Borrower) and (c) any other Person (other than a natural person) approved by (i) the Administrative Agent, (ii) in the case of an assignment of Revolving Commitments, the applicable L/C Issuer and the Swing Line Lender, and (iii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or Subsidiaries.

"Environmental Laws" means any and all laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or other legally enforceable requirement (including, without limitation, common law) of any foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health as affected by the environment as has been, is now, or may at any time hereafter be, in effect, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq.; the Toxic Substance Control Act, 15 U.S.C. Sections 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1802 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq.; the Clean Water Act; 33 U.S.C. Sections 1251 et seq.; the Clean Air Act, 42 U.S.C. Sections 7401 et seq.; or other similar federal and/or state environmental laws.

"Environmental Permits" means any and all permits, licenses, registrations, notifications, exemptions and any other authorization required under any applicable Environmental Law.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, other than any Disqualified Preferred Stock.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"Eurodollar Rate" means, for any Interest Period with respect to a

Eurodollar Rate Loan, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "Eurodollar Rate" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"Eurodollar Rate Loan" means a Committed Loan that bears interest at a rate based on the Eurodollar Rate.

"Event of Default" has the meaning specified in Section 9.01.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by any jurisdiction other than a jurisdiction in which the Administrative Agent or such Lender would not be subject to such taxes but for its activities related to this Agreement or any other Loan Document, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 11.13), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 3.01(a) and (d) any withholding tax that is attributable to such Foreign Lender's failure or inability (other than as a result of Change in Law) to comply with Section 3.01(e).

"Existing Credit Agreement" has the meaning specified in the introductory paragraph hereto.

"Existing Letters of Credit" means those letters of credit identified on Schedule 2.03.

"Existing Subordinated Debt" means the collective reference to the subordinated Indebtedness identified on Schedule 1.01(b).

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Fee Letters" means (i) the letter agreement, dated July 29, 2005, between the Borrower and the Administrative Agent and (ii) the letter agreement, dated June 2, 2005, among the Borrower, Holdings, Banc of America Securities LLC, Banc of America Bridge LLC, Lehman Commercial Paper Inc., Lehman Brothers Inc., Bear, Stearns & Co. Inc., Bear Stearns Corporate Lending Inc. and Credit Suisse, Cayman Islands Branch.

"Financial Letter of Credit" means a standby Letter of Credit not constituting a Performance Letter of Credit.

"Fitch" means Fitch, Inc., and any successor thereto.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

"Fully Satisfied" means, with respect to the Obligations as of any date, that, as of such date, (a) all principal of and interest accrued to such date which constitute Obligations shall have been paid in full in cash, (b) all fees, expenses and other amounts then due and payable which constitute Obligations shall have been paid in cash, (c) all outstanding Letters of Credit shall have been (i) terminated, (ii) fully Cash Collateralized or (iii) secured by one or more letters of credit on terms and conditions, and with one or more financial institutions, reasonably satisfactory to the applicable L/C Issuer and (d) the Commitments shall have expired or been terminated in full.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the

accounting profession in the United States, that are applicable to the circumstances as of the date of determination.

"GAAP Investment" means any Investment of the types specified in clauses (a) or (b) of the definition of the term "Investment" herein.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, reimbursement obligations under letters of credit and any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means each Person identified as a "Guarantor" on the signature pages hereto (including L-3 Communications Holdings, Inc.) and each other Person that joins as a Guarantor pursuant to Section 7.09, together with their successors and permitted assigns.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Administrative Agent and the Lenders pursuant to Article IV hereof.

"Guaranty Release Date" means the date the Guarantees of the Subsidiaries are released in accordance with the terms of Section 11.17.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Holdings" means L-3 Communications Holdings, Inc., a Delaware corporation.

"Immaterial Subsidiary" means, at any time, any Subsidiary which does not have assets exceeding 5.0% of the Consolidated Total Assets; provided however, that if any Subsidiary is a not a Wholly Owned Subsidiary, the assets of such Subsidiary to be included in the above calculation shall be reduced by the portion of the minority interest for such Subsidiary as reported in the Borrower's consolidated balance sheet; provided, further that for purposes of Section 9.01(f), any two or more Subsidiaries having aggregate assets of 5.0% or more of the Consolidated Total Assets (calculated, in the case of Non-Wholly Owned Subsidiaries, in accordance with the preceding proviso) shall not be considered Immaterial Subsidiaries.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money (including the Loans hereunder) or for the deferred purchase price of property or services to the extent, if any, reflected as a liability on the balance sheet of such Person in accordance with GAAP (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices and accrued expenses incurred in the ordinary course of business);

(b) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument;

(c) all obligations of such Person in respect of acceptances issued or created for the account of such Person and all reimbursement and other obligations with respect to any letters of credit (including the Letters of Credit hereunder) and surety bonds, whether or not matured or drawn;

(d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof;

(e) the Attributable Indebtedness of such Person with respect to Capital Leases, Synthetic Lease Obligations and Securitization Transactions;

(f) all obligations of such Person with respect to any Disqualified Preferred Stock; and

(g) all Guarantees of such Person in respect of any of the foregoing.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Initial Closing Date" means March 9, 2005.

"Insolvent" means, with respect to any Multiemployer Plan, the meaning of such term provided in Section 4245 of ERISA. Derivatives of such term have corresponding meanings.

"Intellectual Property" has the meaning specified in Section 6.09.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest

Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice or nine or twelve months thereafter, as requested by the Borrower and consented to by all the Lenders; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a division or business unit.

"ISP" means, with respect to any standby Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the applicable L/C Issuer and the Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to such Letter of Credit.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit I executed and delivered by a direct or indirect Subsidiary (other than an Immaterial Subsidiary) in accordance with the provisions of Section 7.09.

"Laws" means as to any Person, any law, treaty, executive order, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any Unreimbursed Amount in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America in its capacity as issuer of Letters of Credit hereunder and any other Lender in its capacity as issuer of Letters of Credit hereunder who has been selected by the Borrower and who has agreed to act as an L/C Issuer hereunder in accordance with the terms hereof or any successor issuer of Letters of Credit that agrees to act as an L/C Issuer at the request of the Borrower and to whom the Administrative Agent consents (such consent not to be unreasonably withheld).

"L/C Obligations" means, as at any date of determination, the Dollar Equivalent of the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. For all purposes of this Agreement, if on any date of determination a standby Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lender" has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the Swing Line Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"Letter of Credit" means any letter of credit issued hereunder and shall include the Existing Letters of Credit. A Letter of Credit may be a standby Letter of Credit or a commercial Letter of Credit. Letters of Credit may be issued in Dollars or in an Alternative Currency.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by an L/C Issuer.

"Letter of Credit Expiration Date" means the day that is five days prior to the Maturity Date (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(i).

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capital Lease having substantially the same economic effect as any of the foregoing).

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan, a Term Loan or a Swing Line Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, the Collateral Documents and the Fee Letters, each as amended, modified, supplemented, extended, renewed, restated or substituted from time to time.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, property or condition (financial or otherwise) of Holdings, the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Materials of Environmental Concern" means any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under, or that could give rise to liability under, any applicable Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products.

"Maturity Date" means March 9, 2010.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Proceeds" means (a): the aggregate cash proceeds (including Cash Equivalents) received by the Borrower or any of its Subsidiaries in respect of any conveyance, sale, lease, assignment, transfer or other disposition of property, business or assets (for the purposes of this definition, "Asset Sale"), in each case net of (without duplication) (i) the amount required to repay any Indebtedness (other than the Loans) secured by a Lien on any assets of the Borrower or a Subsidiary that are sold or otherwise disposed of in connection with such Asset Sale and (ii) reasonable and appropriate amounts established by the Borrower or such Subsidiary, as the case may be, as a reserve against liabilities associated with such Asset Sale and retained by the Borrower

or such Subsidiary, (iii) the reasonable expenses (including legal fees and brokers' and underwriters' commissions, lenders fees, credit enhancement fees, accountants' fees, investment banking fees, survey costs, title insurance premiums and other customary fees, in any case, paid to third parties or, to the extent permitted hereby, Affiliates) incurred in effecting such Asset Sale and (iv) any taxes reasonably attributable to such Asset Sale and reasonably estimated by the Borrower or such Subsidiary to be actually payable, and (b) any cash payments received in respect of promissory notes or other evidences of Indebtedness delivered to the Borrower or such Subsidiary in respect of an Asset Sale.

"Non-Guarantor Subsidiary" means any Consolidated Subsidiary of the Borrower that is not a Guarantor.

"Non-Loan Party Operating Assets" means, as of any date of determination, the sum of (a) total assets of the Non-Guarantor Subsidiaries as determined according to the financial statements contained in the most recent SEC filing required by Section 7.01 minus (b) minority interests in Non-Guarantor Subsidiaries as determined according to the financial statements contained in the most recent SEC filing required by Section 7.01 plus (c) to the extent not otherwise included in clause (a) above, the aggregate amount of GAAP Investments of the Borrower, Holdings or any Consolidated Subsidiary in any Person that is not a Consolidated Subsidiary.

"Non-Wholly Owned Subsidiary" means any Subsidiary of the Borrower that is not a Wholly Owned Subsidiary.

"Nonconsenting Lender" has the meaning specified in Section 11.13.

"Note" means the Revolving Notes, the Term Notes and the Swing Line Note, individually or collectively, as appropriate.

"Obligations" means all advances to, and debts, liabilities and obligations of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. "Obligations" shall also include any Swap Contract between any Loan Party and any Lender or Affiliate of a Lender and all obligations under any Treasury Management Agreement between any Loan Party and any Lender or an Affiliate of any Lender.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization.

"Original Lenders" has the meaning specified in the introductory paragraph hereto.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Outstanding Amount" means (i) with respect to Revolving Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Loans occurring on such date; (ii) with respect to Term Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans occurring on such date, (iii) with respect to Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Swing Line Loans occurring on such date; and (iv) with respect to any L/C Obligations on any date, the Dollar Equivalent of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Overnight Rate" means, for any day, with respect to any amount denominated in Dollars, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation.

"Participant" has the meaning specified in Section 11.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

"Performance Letter of Credit" means a standby Letter of Credit issued to ensure the performance of services and/or delivery of goods by or on behalf of the Borrower or any of its Subsidiaries.

"Permitted Liens" means those Liens permitted to exist pursuant to Section 8.01.

"Permitted Receivables Program" means any receivables securitization program pursuant to which the Borrower or any of the Subsidiaries sells accounts receivable and related receivables in a "true sale" transaction; provided, however, that any related Indebtedness incurred to finance the purchase of such accounts receivable does not exceed $250,000,000 at any time outstanding and such Indebtedness is not includible on the balance sheet of the Borrower or any Subsidiary in accordance with GAAP and applicable regulations of the SEC.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by, maintained by or contributed to the Borrower.

"Platform" means Intralinks or another similar electronic system.

"Pledge Agreement" means that certain Pledge Agreement that may be executed and delivered pursuant to Section 7.08 by the Loan Parties and the Administrative Agent, substantially in the form of Exhibit C, as amended, modified, restated or supplemented from time to time.

"Pro Forma Basis" means, for purposes of calculating the financial covenants set forth in Section 8.08(a), (b) and (c), that any Acquisition shall be deemed to have occurred as of the first day of the most recent four fiscal quarter period preceding the date of such Acquisition for which the Borrower has delivered financial statements pursuant to Section 7.01. In connection with the foregoing, income statement items attributable to the Person or property or assets acquired shall be included to the extent relating to any period applicable in such calculations to the extent (i) such items are not otherwise included in such income statement items for the Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01, (ii) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent and (iii) any Indebtedness incurred or assumed by the Borrower or any Subsidiary (including the Person or property acquired) in connection with such Acquisition and any Indebtedness of the Person or property acquired which is not retired in connection with such Acquisition (A) shall be deemed to have been incurred as of the first day of the most recent four fiscal quarter period preceding the date for such Acquisition and (B) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the most recent four fiscal quarter period preceding the date for such Acquisition for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

"Properties" has the meaning specified in Section 6.10.

"Ratings Agencies" means S&P, Moody's and Fitch.

"Register" has the meaning specified in Section 11.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors

of such Person and of such Person's Affiliates.

"Reorganization" means, with respect to any Multiemployer Plan, has the meaning provided such term in Section 4241 of ERISA.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, (a) Lenders having more than 50% of the sum of (i) the Aggregate Revolving Commitments and (ii) the outstanding Term Loans or (b) if the commitment of each Lender to make Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have expired or been terminated pursuant to Section 9.02, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Required Prepayment Date" has the meaning specified in Section 8.05(k).

"Responsible Officer" means the chief executive officer, president, senior vice president, vice president, controller, chief financial officer, treasurer or assistant treasurer of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock, other Equity Interest or any Disqualified Preferred Stock of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition of any such capital stock, other Equity Interest or any such Disqualified Preferred Stock or, or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent Person thereof).

"Revaluation Date" means, with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by an L/C Issuer under any Letter of Credit denominated in an Alternative Currency, (iv) in the case of any Existing Letters of Credit denominated in an Alternative Currency, the Closing Date, (v) such other dates as the Borrower may reasonably request from time to time and (vi) such other dates

as the applicable L/C Issuer or the Administrative Agent shall require provided that the Borrower receives prompt notice thereof.

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth in the commitment notification delivered by the Administrative Agent and the Borrower to such Lender or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Loan" has the meaning specified in Section 2.01(a).

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw

Hill Companies, Inc. and any successor thereto.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Securitization Transaction" means any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which the Borrower or any Subsidiary may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose Subsidiary or Affiliate of the Borrower.

"Similar Business" means a business, at least a majority of whose revenues in the most recently ended calendar year were derived from (a) the sale of defense or homeland security products, electronics, communications systems, aerospace products, avionics products and/or communications products, (b) any services related thereto, (c) any business of the Borrower and/or its Subsidiaries existing as of the Closing Date, (d) any business or activity that is reasonably similar thereto or a reasonable extension, development or expansion thereof or ancillary thereto and (e) any combination of any of the foregoing.

"Single Employer Plan" means any Pension Plan maintained solely by Holdings, the Borrower or any ERISA Affiliates.

"Spot Rate" for any Alternative Currency on any date means the rate quoted by the applicable L/C Issuer as the spot rate for the purchase by such L/C Issuer of such Alternative Currency with Dollars through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to such date; provided that, if agreed to by the Borrower, such L/C Issuer may obtain such spot rate from another financial institution designated by such L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such Alternative Currency; and provided further that

such L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

"Subordinated Debt" means the Existing Subordinated Debt and any Additional Subordinated Debt.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which the shares of stock or other interests having ordinary voting power for the election of a majority of the board of directors or other governing body (other than stock or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Contract" means any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement.

"Swap Contract Obligations" means the obligations of the Borrower or any of its Subsidiaries to make payments to counterparties under Swap Contracts in the event of the occurrence of a termination event thereunder.

"Swing Line" means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.04.

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

"Swing Line Note" has the meaning specified in Section 2.11.

"Swing Line Sublimit" means an amount equal to the lesser of (a) $50,000,000 and (b) the Aggregate Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Synthetic Lease Obligation" means the monetary obligation of a Person under a so called synthetic or off balance sheet lease which, upon the insolvency or bankruptcy of such Person, would be characterized as the Indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" has the meaning specified in Section 2.01(b).

"Term Loan Commitment" means, as to each Lender, its obligation to make its portion of the Term Loan to the Borrower pursuant to Section 2.01(b), in the principal amount set forth in the commitment notification delivered by the Administrative Agent and the Borrower to such Lender. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is SEVEN HUNDRED FIFTY MILLION DOLLARS ($750,000,000).

"Term Note" has the meaning specified in Section 2.11(a).

"Threshold Amount" means $40,000,000.

"Titan Acquisition" means the acquisition (by way of merger) of all of the issued and outstanding capital stock of The Titan Corporation by the Borrower or one of its Wholly Owned Subsidiaries pursuant to the Titan Purchase Agreement.

"Titan Purchase Agreement" means the Agreement and Plan of Merger by and among the Borrower, Saturn VI Acquisition Corp. and The Titan Corporation dated as of June 2, 2005.

"Total Assets" means, as of any date of determination, the sum of (a) total assets of Holdings, the Borrower and its Consolidated Subsidiaries as determined according to the financial statements contained in the most recent SEC filing required by Section 7.01 minus (b) minority interests in Non-Guarantor Subsidiaries as determined according to the financial statements contained in the most recent SEC filing required by Section 7.01 minus (c) the net book value (as determined according to the financial statements contained in the most recent SEC filing required by Section 7.01) of all assets of Holdings that are subject to a Lien not in favor of (i) the Administrative Agent for the benefit of the holders of the Obligations or (ii) the Borrower.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Total Revolving Outstandings" means the aggregate Outstanding Amount of all Revolving Loans, all Swingline Loans and all L/C Obligations.

"Treasury Management Agreement" means any agreement governing the provision of treasury or cash management services, including deposit accounts, funds transfer, automated

clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services.

"Type" means, with respect to a Committed Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCP" means the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Voting Stock" means, of any Person, as of any date, the Equity Interest of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"Wholly Owned Subsidiary" means a Subsidiary of the Borrower, the Equity Interest of which is 100% owned and controlled, directly or indirectly, by the Borrower.

"2004 Indenture" means that certain indenture dated as of November 12, 2004 between the Borrower and The Bank of New York, as trustee, as such indenture may be amended, modified, restated or supplemented and in effect from time to time in accordance with the terms hereof and thereof.

"2004 Senior Subordinated Note Documents" means the 2004 Senior Subordinated Notes and the 2004 Indenture.

"2004 Senior Subordinated Notes" means those certain 5 7/8% guaranteed senior subordinated notes due January 15, 2015 issued by the Borrower under the 2004 Indenture in the original principal amount of $650,000,000, together with any note issued in exchange or substitution therefor, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

1.02 OTHER INTERPRETIVE PROVISIONS.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on

such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 ACCOUNTING TERMS.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, as in

effect from time to time, applied consistently throughout the periods reflected therein, except as otherwise specifically prescribed herein. For the avoidance of doubt, any obligations or liabilities of a Person which are identified in footnote disclosures but not the balance sheet of such Person shall not be considered liabilities on the balance sheet of such Person under GAAP.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) if a request for such an amendment has been made, the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Pro Forma Basis Calculation. Notwithstanding the foregoing, the parties hereto acknowledge and agree that all calculations of the Consolidated Interest Coverage Ratio, Consolidated Leverage Ratio and the Consolidated Senior Leverage Ratio for purposes of determining compliance with Section 8.08(a), (b) and (c) shall be made on a Pro Forma Basis.

1.04 ROUNDING.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

1.05 EXCHANGE RATES; CURRENCY EQUIVALENTS.

The applicable L/C Issuer shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of L/C Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the applicable L/C Issuer.

1.06 ADDITIONAL ALTERNATIVE CURRENCIES.

Any request for a Letter of Credit in a currency not otherwise specified in the definition of "Alternative Currency" shall be made to the Administrative Agent not later than 11:00 a.m., five (5) Business Days prior to the date of the desired L/C Credit Extension (or such other time or date as may be agreed by the Administrative Agent and the applicable L/C Issuer, in their sole discretion). In the case of any such request, the Administrative Agent shall promptly notify such L/C Issuer thereof. Such L/C Issuer shall notify the Administrative Agent, not later than 11:00 a.m., two Business Days after receipt of such request whether it consents to the issuance of Letters of Credit in such requested currency and, if such L/C Issuer so consents, such currency shall thereupon be deemed with respect to such L/C Issuer, an Alternative Currency. Any failure by the applicable L/C Issuer to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such L/C Issuer to permit Letters of Credit to be issued in such requested currency. The Administrative Agent shall promptly notify the Borrower of the applicable L/C Issuer's response to any request pursuant to this Section 1.06.

1.07 TIMES OF DAY.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.08 LETTER OF CREDIT AMOUNTS.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.09 INTERRELATIONSHIP WITH EXISTING CREDIT AGREEMENT.

(a) As stated in the introductory paragraph and the recitals hereof, this Agreement is intended to amend and restate the provisions of the Existing Credit Agreement and, notwithstanding any substitution of Notes as of the Closing Date, except as expressly modified herein, (x) all of the terms and provisions of the Existing Credit Agreement shall continue to apply for the period prior to the Closing Date, including any determinations of payment dates, interest rates, Events of Default or any amount that may be payable to the Administrative Agent or the Original Lenders (or their assignees or replacements hereunder), and (y) the obligations under the Existing Credit Agreement shall from and after the Closing Date continue to be owing and be subject to the terms of this Agreement. All references in any Loan Documents to (i) the "Credit Agreement" shall be deemed to include references to this Agreement and (ii) the "Lenders" or a "Lender" or the "Administrative Agent" shall mean such terms as defined in this Agreement. As to all periods occurring on or after the Closing Date, all of the terms and conditions set forth in the Existing Credit Agreement shall be of no further force and effect, it being understood that all obligations of the Borrower under the Existing Credit Agreement shall be governed by this Agreement from and after the Closing Date.

(b) The Borrower, the Administrative Agent. the L/C Issuer and the Lenders acknowledge and agree that all principal, interest, fees, costs, reimbursable expenses and indemnification obligations accruing or arising under or in connection with the Existing Credit Agreement which remain unpaid and outstanding as of the Closing Date shall be and remain outstanding and payable as an obligation under this Credit Agreement and the other Loan Documents; provided, that no Lender hereunder which was not an Original Lender shall be liable for any obligation or indemnification of Lenders arising under the Existing Credit Agreement.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 REVOLVING LOANS AND TERM LOANS.

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower in Dollars from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments,

and (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) Term Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan") to the Borrower in Dollars on the Closing Date in an amount not to exceed such Lender's Term Loan Commitment. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 BORROWINGS, CONVERSIONS AND CONTINUATIONS OF COMMITTED LOANS.

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested

date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans and (ii) on the requested date of any Borrowing of Base Rate Committed Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Committed Loans shall be in a principal amount of $2,000,000 or a whole multiple of $100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the

Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding Section. In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Credit Extension, Section 5.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than twenty Interest Periods in effect with respect to Committed Loans.

2.03 LETTERS OF CREDIT.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in an Alternative Currency for the account of the Borrower, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower and any drawings thereunder; provided that after giving

effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments and (y) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Commitment. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions

hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) No L/C Issuer shall issue any Letter of Credit, if the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the applicable L/C Issuer from issuing such Letter of Credit, or any Law applicable to the applicable L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the applicable L/C Issuer shall prohibit, or request that the applicable L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the applicable L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the applicable L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the applicable L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the applicable L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the applicable L/C Issuer; or

(C) except as otherwise agreed by the Administrative Agent and the applicable L/C Issuer, such Letter of Credit is to be denominated in a currency other than Dollars or an Alternative Currency.

(iv) No L/C Issuer shall be under any obligation to amend any Letter of Credit if (A) the applicable L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(v) Each L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article X with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article X included such L/C Issuer with respect to

such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the applicable L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application must be received by the applicable L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the applicable L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the applicable L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and requested currency thereof and in the absence of specification of currency shall be deemed a request for a Letter of Credit denominated in Dollars; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the applicable L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the applicable L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the applicable L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the applicable L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the applicable L/C Issuer or the Administrative Agent may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the applicable L/C Issuer will provide the Administrative Agent with a copy thereof and inform the Administrative Agent whether such Letter of Credit Application is for a Financial Letter of Credit, a Performance Letter of Credit or a commercial Letter of Credit. Unless the applicable L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Section 5.02 shall not then be satisfied, then, subject to the terms and conditions hereof, the applicable L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the

applicable L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the applicable L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the applicable L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto Extension Letter of Credit"); provided that any such Auto Extension Letter of Credit must permit the applicable L/C Issuer to prevent any such extension at least once in each twelve month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non Extension Notice Date") in each such twelve month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the applicable L/C Issuer, the Borrower shall not be required to make a specific request to the applicable L/C Issuer for any such extension. Once an Auto Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the applicable L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the applicable L/C Issuer shall not permit any such extension if (A) the applicable L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by

reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 5.02 is not then satisfied, and in each such case directing the applicable L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment. Each L/C Issuer shall provide the Administrative Agent with a written update on a monthly basis of the outstanding Letters of Credit for which it is the L/C Issuer, and the Administrative Agent shall promptly send a copy of each such update to the Borrower upon its receipt.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall notify the Borrower and the Administrative Agent thereof, including, in the case of a Letter of Credit denominated in an Alternative Currency, both the Alternative Currency amount of such drawing and the estimated Dollar Equivalent thereof. In the case of a Letter of Credit denominated in an Alternative Currency, the Borrower shall reimburse the applicable L/C Issuer in Dollars in the Dollar Equivalent of the amount of the applicable drawing in such Alternative Currency as so notified by the applicable L/C Issuer; provided, that, with

respect to any reimbursement obligations of the Borrower arising from the presentment to the applicable L/C Issuer of a draft under a Letter of Credit denominated in an Alternative Currency, the Borrower may make payment in the applicable Alternative Currency if such payment is received by the applicable L/C Issuer on the date such draft is paid by the applicable L/C Issuer. Not later than 3:00 p.m. on the date of any payment by the applicable L/C Issuer under a Letter of Credit if the applicable L/C Issuer delivers notice of such payment by 11:00 a.m. on such day (or, if notice of such payment by the applicable L/C Issuer is delivered after 11:00 a.m., not later than 10:00 a.m. the next succeeding Business Day) (each such date, an "Honor Date"), the Borrower shall reimburse the applicable L/C Issuer in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the LC Issuer by the time set forth in the preceding sentence, the applicable L/C Issuer shall promptly notify the Administrative Agent of the Honor Date and the amount of the unreimbursed drawing shall become the unreimbursed amount (the "Unreimbursed Amount"). The Administrative Agent shall promptly notify each Lender of the Honor Date, the Unreimbursed Amount, and the amount of such Lender's Applicable Percentage thereof. Any notice given by the applicable L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender with a Revolving Commitment shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the applicable L/C Issuer, in Dollars, at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer in Dollars.

(iii) Any Unreimbursed Amount shall be due and payable on demand and shall bear interest at (A) the rate applicable to Base Rate Loans from the Honor Date to the date of reimbursement is required pursuant to Section 2.03(c)(i) and (B) thereafter, the Default Rate. Each Lender's payment to the Administrative Agent for the account of the applicable L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such Unreimbursed Amount and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its L/C Advance pursuant to this Section 2.03(c) to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the applicable

L/C Issuer.

(v) Each Lender's obligation to make L/C Advances to reimburse the applicable L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the applicable L/C Issuer, the Borrower, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or

continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the applicable L/C Issuer for the amount of any payment made by the applicable L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the applicable L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), the applicable L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the applicable L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect. A certificate of the applicable L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the applicable L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the applicable L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the applicable L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the applicable L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the applicable L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent (on behalf of the applicable L/C Issuer), plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute.

(i) The obligation of the Borrower to reimburse the applicable L/C Issuer for each drawing under each Letter of Credit and to repay each Unreimbursed Amount shall be absolute and unconditional under any and all circumstances and irrespective of any set

off, counterclaim or defense to payment which the Borrower may have or have had against the applicable L/C Issuer, any Lender or any beneficiary of a Letter of Credit.

(ii) The Borrower also agrees with the L/C Issuers that the L/C Issuers, the Administrative Agent and their respective Related Parties shall not be responsible for, and the Borrower's obligation to reimburse the applicable L/C Issuer for each drawing under each Letter of Credit and

to repay each Unreimbursed Amount shall not be affected by, among other things, (i) the validity or genuineness of documents or of any endorsements thereon (or any other instrument transferring or assigning such Letter of Credit), even though such documents shall in fact prove to be invalid, fraudulent or forged (unless the applicable L/C Issuer has actual knowledge of such invalidity, fraud or forgery), (ii) any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred, or (iii) any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee.

(iii) Neither the applicable L/C Issuer, nor any Lender, nor, the Administrative Agent and their respective Related Parties shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions caused by the applicable L/C Issuer's gross negligence or willful misconduct.

(iv) The Borrower agrees that any action taken or omitted by the applicable L/C Issuer under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of the applicable L/C Issuer, the Administrative Agent, any Lender or any of their respective Related Parties to the Borrower.

(v) If any draft shall be presented for payment under any Letter of Credit, the responsibility of the applicable L/C Issuer to the Borrower in connection with such draft shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment appear on their face to be in conformity with such Letter of Credit.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the applicable L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the applicable L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the applicable L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required

by the Letter of Credit) or ascertain or inquire as to the authority of the Person executing or delivering any such document. None of the applicable L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the applicable L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Notwithstanding anything in clauses (i) through (v) of Section 2.03(e) to the contrary, the Borrower may have a claim against the applicable L/C Issuer, and the applicable L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which were caused by the applicable L/C Issuer's willful misconduct or gross negligence or the applicable L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit.

(g) Cash Collateral.

(i) Upon the request of the Administrative Agent, (A) if the applicable L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an Unreimbursed Amount, or (B) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each

case, within two Business Days of the occurrence of any event in (A) or (B) above, Cash Collateralize the then Outstanding Amount of all L/C Obligations.

(ii) In addition, if the Administrative Agent notifies the Borrower at any time that the Outstanding Amount of all L/C Obligations at such time exceeds 102% of the Aggregate Revolving Commitments then in effect, then, within two Business Days after receipt of such notice, the Borrower shall Cash Collateralize the L/C Obligations in an amount equal to the amount by which the Outstanding Amount of all L/C Obligations exceeds the Aggregate Revolving Commitments then in effect.

(iii) Sections 2.05(c) and 9.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of this Section 2.03(g), Section 2.05(c) and Section 9.02(c), "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the applicable L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Borrower hereby grants to the Administrative Agent, for the benefit of the applicable L/C Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked deposit accounts at Bank of America.

(h) Applicability of ISP or UCP. Unless otherwise expressly agreed by the applicable L/C Issuer and the Borrower when a standby Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to such Letter of Credit, and when a commercial Letter of Credit is issued, the rules of the UCP shall apply to such commercial Letter of Credit and, in either case, to the extent not inconsistent therewith and if requested by the Borrower in the applicable Letter of Credit Application, the laws of the State of New York.

(i) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued by such L/C Issuer, at a rate per annum, in the case of Bank of America, in its capacity as L/C Issuer, specified in the Fee Letter described in clause (i) of the definition of "Fee Letter" and in the case of any other L/C Issuer, as may be agreed upon between the Borrower and such L/C Issuer, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the last Business Day of each March, June, September and December in respect of the most recently ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. In addition, the Borrower shall pay directly to each L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(l) Determination of Exchange Rate. On each Revaluation Date with respect

to each outstanding Letter of Credit denominated in an Alternative Currency, the applicable L/C Issuer shall determine the Spot Rate as of such Revaluation Date with respect to the applicable Alternative Currency and shall promptly notify the Administrative Agent and the Borrower thereof and of the Dollar Equivalent of all Letters of Credit denominated in such Alternative

Currency outstanding on such Revaluation Date. The Spot Rate so determined shall become effective on such Revaluation Date and shall remain effective until the next succeeding Revaluation Date.

2.04 SWING LINE LOANS.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, to make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Commitment, and provided, further, that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 3:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $500,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in

Section 5.02 is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Participations in Swing Line Loans.

(i) The Swing Line Lender at any time in its sole and absolute discretion may request in writing that each Lender with a Revolving Commitment fund its risk participation in any Swing Line Loan. Upon receipt of such request, each Lender shall make an amount equal to its Applicable Percentage of the amount of the applicable Swing Line Loan specified in such written request available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified

in such request. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (ii) shall be conclusive absent manifest error.

(iii) Each Lender's obligation to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its risk participation pursuant to this Section 2.04 to pay such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 PREPAYMENTS.

(a) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty, except as set forth in Section 3.05; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Committed Loans; and (ii) any prepayment shall be in a principal amount of $2,000,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the

Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages. Repayments of Term Loans may not be reborrowed.

(b) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given

by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Revolving Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect. If for any reason the Outstanding Amount of all Swing Line Loans exceed the Swing Line Sublimit, the Borrower shall immediately prepay the Swing Line Loans in an aggregate amount equal to such excess.

(d) If, subsequent to the Initial Closing Date, the Borrower or any of its Subsidiaries shall receive Net Proceeds from any conveyance, sale, lease, assignment, transfer or other disposition of any of its property, business or assets, such Net Proceeds shall be promptly and ratably applied toward the prepayment of the Loans and permanent reduction of the Commitments in accordance with Section 8.05(k) as follows: first, to the principal and interest in respect of the Term Loans and second, to prepay the Revolving Loans to the full extent thereof and to permanently reduce the Revolving Commitments by the amount of such prepayment.

2.06 TERMINATION OR REDUCTION OF COMMITMENTS.

The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. three Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $100,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments, and (iv) if, after giving effect to any reduction of the Aggregate Revolving Commitments, the Swing Line Sublimit exceeds the amount of the Aggregate Revolving Commitments, such Swing Line Sublimit shall be automatically reduced by the amount of such excess. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Revolving Commitments. Any reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination. The Aggregate Revolving Commitments automatically shall be permanently reduced from time to time in accordance with the terms of Section 2.05(d).

2.07 REPAYMENT OF LOANS.

(a) The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Committed Loans outstanding on such date.

(b) The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date within one Business Day of demand therefor by the Swing Line Lender and (ii) the Maturity Date.

2.08 INTEREST.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; (ii) each Base Rate Committed Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 FEES.

In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to the Applicable Rate times the actual daily amount by which the Aggregate Revolving Commitments exceed the sum of (i) the Outstanding Amount of Revolving Loans and (ii) the Outstanding Amount of L/C Obligations. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Section 5.02 is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to

occur after the Closing Date, and on the Maturity Date. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees. The Borrower shall pay to Banc of America Securities LLC, Banc of America Bridge LLC, Lehman Commercial Paper Inc., Lehman Brothers Inc., Bear, Stearns & Co. Inc., Bear Stearns Corporate Lending Inc., Credit Suisse, Cayman Islands Branch and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 COMPUTATION OF INTEREST AND FEES.

All computations of interest for Base Rate Loans when the Base Rate is determined by Bank of America's "prime rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360 day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365 day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 EVIDENCE OF DEBT.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such Note shall (i) in the case of Revolving Loans, be in the form of Exhibit D (a "Revolving Note"), (ii) in the case of Term Loans, be in the form of Exhibit E (a "Term Note") and (iii) in the case of Swing Line Loans, be in the form of Exhibit F (a "Swing Line Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or

records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 PAYMENTS GENERALLY; ADMINISTRATIVE AGENT'S CLAWBACK.

(a) General. All payments to be made by the Borrower shall be made without deduction for any counterclaim or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein; provided, that with respect to any reimbursement obligations of the Borrower arising from the presentment to the applicable L/C Issuer of a draft under a Letter of Credit denominated in an Alternative Currency, the Borrower may make payment in the applicable Alternative Currency if such payment is received by the applicable L/C Issuer on the date such draft is paid by the applicable L/C Issuer. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of Eurodollar Rate Loans (or, in the case of any Committed Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Committed Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry

rules on interbank compensation. If such Lender's share of the applicable Committed Borrowing is not made available to the Administrative Agent by such Lender within three Business Days of the date such amount is made available to the Borrower, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans hereunder, on

demand, from the Borrower. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the applicable L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the applicable L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall promptly return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any

Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 SHARING OF PAYMENTS BY LENDERS.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided

herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 TAXES.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to

additional sums payable under this Section 3.01) the Administrative Agent, Lender or an L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and each L/C Issuer, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) paid by the Administrative Agent, such Lender or such L/C Issuer, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such

jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, the Administrative Agent or any L/C Issuer, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender, the Administrative Agent or such L/C Issuer is subject to backup withholding or information reporting requirements. Each Lender, the Administrative Agent or any L/C Issuer shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate or form.

Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or

prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) properly completed and duly executed copies of Internal Revenue Service Form W-8BEN (or any subsequent versions thereof or successors thereto) claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) properly completed and duly executed copies of Internal Revenue Service Form W-8ECI (or any subsequent versions thereof or successors thereto) claiming an exemption for effectively connected income,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN (or any subsequent versions thereof or successors thereto), or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax properly completed and duly executed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) Treatment of Certain Refunds. If the Administrative Agent, any Lender or any L/C Issuer determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out of pocket expenses of the Administrative Agent, such Lender or such L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent, such Lender or such L/C Issuer, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or such L/C Issuer in the event the Administrative Agent, such Lender or such L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or such L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

3.02 ILLEGALITY.

If any Lender determines that as a result of any Change in Law it becomes unlawful, or any Governmental Authority asserts that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Committed Loans to Eurodollar Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 INABILITY TO DETERMINE RATES.

If the Required Lenders determine that for any reason in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof that (a) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or (b) the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

3.04 INCREASED COSTS; RESERVES ON EURODOLLAR RATE LOANS.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or any L/C Issuer;

(ii) subject any Lender or any L/C Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Rate Loan made by it, or change the basis of taxation of payments to such Lender or any L/C Issuer in respect thereof (except for Indemnified

Taxes or Other Taxes covered by Section 3.01 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or such L/C Issuer); or

(iii) impose on any Lender or any L/C Issuer or any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, by an amount which such Lender deems to be material in its sole discretion, of making or maintaining any Eurodollar Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection, it shall promptly notify the Borrower, through the Administrative Agent, of the event by reason of which it has become so entitled. If the Borrower so notifies

the Administrative Agent within five Business Days after any Lender notifies the Borrower of any increased cost pursuant to the foregoing provisions of this Section, the Borrower may convert all Eurodollar Rate Loans of such Lender then outstanding into Base Rate Loans in accordance with the terms hereof.

(b) Capital Requirements. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Loans held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy), by an amount deemed by such Lender be material in its sole discretion, then from time to time the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section, showing the calculation thereof, in reasonable detail, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 120 days prior to the date that such Lender or such L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 120-day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.05 COMPENSATION FOR LOSSES.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurodollar Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the

last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss or expense (but excluding loss of margin) arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Such indemnification under this Section 3.05 may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure

to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (but excluding loss of margin) over (ii) the amount of interest (as reasonably determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. Each Lender claiming any payment pursuant to this Section 3.05 shall do so by giving notice thereof to the Borrower and the Administrative Agent (showing calculation of the amount claimed in reasonable detail) within 60 Business Days after a failure to borrow, convert or continue Eurodollar Rate Loans, or to prepay, after notice or after a prepayment of Eurodollar Rate Loans on a day which is not the last day of an Interest Period therefor.

3.06 MITIGATION OBLIGATIONS; REPLACEMENT OF LENDERS.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Sections 3.01, 3.02 or 3.04, the Borrower may replace such Lender in accordance with Section 11.13.

3.07 SURVIVAL.

All of the Borrower's obligations under this Section 3.01, 3.02 and 3.05 shall survive termination of the Aggregate Revolving Commitments and repayment of all other Obligations hereunder.

ARTICLE IV
GUARANTY

4.01 THE GUARANTY.

Each of the Guarantors hereby jointly and severally guarantees to each Lender, each Affiliate of a Lender that enters into a Swap Contract or a Treasury Management Agreement, and the Administrative Agent as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory

prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally,

promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents or Swap Contracts or Treasury Management Agreements, the obligations of each Guarantor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law.

4.02 OBLIGATIONS UNCONDITIONAL.

The obligations of the Guarantors under Section 4.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents, Swap Contracts or Treasury Management Agreements, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations have been Fully Satisfied. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents, any Swap Contract or any Treasury Management Agreement between the Borrower or any of its Subsidiaries and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents or such Swap Contracts shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right

under any of the Loan Documents, any Swap Contract or any Treasury Management Agreement between the Borrower or any of its Subsidiaries and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents or such Swap Contracts or such Treasury Management Agreements shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any Lender or Lenders as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents, any Swap Contract or any Treasury Management Agreement between the Borrower or any of its Subsidiaries and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents or such Swap Contracts or such Treasury Management Agreements, or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 REINSTATEMENT.

The obligations of the Guarantors under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, fees and expenses of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

4.04 CERTAIN ADDITIONAL WAIVERS.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 REMEDIES.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand,

the Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The Guarantors acknowledge and agree that their obligations hereunder may be secured in accordance with the terms of the Collateral Documents and that the Lenders may exercise their remedies thereunder in accordance with the terms thereof.

4.06 RIGHTS OF CONTRIBUTION.

The Guarantors hereby agree as among themselves that, in connection with payments made hereunder, each Guarantor shall have a right of contribution from each other Guarantor in accordance with applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the Obligations until such time as the Obligations have been Fully Satisfied, and none of the Guarantors shall exercise any such contribution rights until the Obligations have been Fully Satisfied.

4.07 GUARANTEE OF PAYMENT; CONTINUING GUARANTEE.

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

ARTICLE V
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 CONDITIONS OF INITIAL CREDIT EXTENSION.

The obligation of any L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of the following:

(i) executed counterparts of this Agreement and the other Loan Documents, each properly executed by a Responsible Officer of the signing Loan Party and, in the case of this Agreement, by each Lender holding a Term Loan Commitment and the requisite Lenders holding Revolving Commitments;

(ii) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where

applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the Closing Date;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that the Borrower and each Loan Party is validly existing, in good standing and qualified to engage in business in its jurisdiction of organization or formation;

(v) favorable opinions of Simpson Thacher and Bartlett LLP, special counsel to the Loan Parties and Christopher C. Cambria, Senior Vice President, General Counsel and Secretary of the Borrower and Holdings, each addressed to the Administrative Agent and each Lender;

(vi) a certificate signed by a Responsible Officer of the Borrower certifying (A) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect and (B) the current Debt Ratings;

(vii) a certificate signed by a Responsible Officer of the Borrower certifying that the conditions specified in Sections 5.02(a) and (b) have been satisfied;

(viii) a copy of the filed merger certificate evidencing the merger of Saturn VI Acquisition Corp. into The Titan Corporation;

(ix) a copy of the Titan Purchase Agreement and such other material documents executed or delivered in connection therewith as may be reasonably requested by the Administrative Agent; and

(x) unless otherwise agreed by the Administrative Agent, (A) the results of a recent search, by a Person satisfactory to the Administrative Agent, of all effective Uniform Commercial Code financing statements (or equivalent filings) made with respect to any personal or mixed property of each Loan Party in the jurisdiction of organization of such Loan Party, together with copies of all such filings disclosed by such search, and (B) Uniform Commercial Code termination statements (or similar documents) for filing in all applicable jurisdictions as may be necessary to terminate any effective Uniform Commercial Code financing statements (or equivalent filings) disclosed in such search (other than any such financing statements in respect of Permitted Liens);

(b) Any fees required to be paid pursuant to Section 2.09 on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to the Closing Date.

(d) All material governmental and third party approvals necessary in connection with the Titan Acquisition and the financing contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose material adverse conditions on the Titan Acquisition or the financing thereof.

(e) The Borrower shall have availability under the Revolving Commitments of at least $400,000,000 immediately after giving effect to the

Titan Acquisition.

(f) The Indebtedness of The Titan Corporation and its Subsidiaries described on Schedule 5.01(f) shall have been repaid in full on terms and conditions reasonably satisfactory to the Administrative Agent.

(g) The Titan Acquisition shall have been consummated in accordance with the Titan Purchase Agreement and all material conditions to the Titan Acquisition set forth in the Titan Purchase Agreement shall have been satisfied or the fulfillment of any such material conditions shall have been waived with the consent of Administrative Agent.

5.02 CONDITIONS TO ALL CREDIT EXTENSIONS.

The obligation of each Lender and each L/C Issuer to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (it being understood that with respect to satisfaction of this condition precedent on the Closing Date, all such representations and warranties shall be deemed made both immediately before and immediately after giving effect to the Titan Acquisition, except the representation and warranty set forth in Section 6.05(b) which shall be deemed made only immediately before giving effect to the Titan Acquisition).

(b) No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the applicable L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders (with respect to Holdings, only until such time as Holdings is merged with and into the Borrower) that:

6.01 CORPORATE EXISTENCE; COMPLIANCE WITH LAW.

(a) Each of Holdings and the Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and (b) each other Loan Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, except to the extent that the failure to comply with this Section 6.01(b) would not cause the Borrower and its Subsidiaries to be in violation of Section 7.09(d). Each of Holdings, the Borrower and the other Loan Parties (i) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (ii) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (iii) is in compliance with all Laws except in each case referred to in clause (i), (ii) or (iii), to the extent that the failure to do so could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.02 CORPORATE POWER; AUTHORIZATION; ENFORCEABLE OBLIGATIONS.

Each of Holdings, the Borrower and its Subsidiaries has the corporate power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow

hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement and to authorize the execution, delivery and performance of such Loan Documents. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents to which the Borrower and each other Loan Party is a party, except in each case for those consents or authorizations which have been obtained on or prior to the Closing Date and filings and other actions necessary to perfect the security interest in the Collateral after the Collateral Effective Date, as required by Section 7.08 and 7.09. This Agreement has been, and each other Loan Document will be, duly executed and delivered on behalf of the Borrower and each other Loan Party. This Agreement constitutes, and each other Loan Document to which it is a party when

executed and delivered will constitute, a legal, valid and binding obligation of each Loan Party thereto enforceable against each such Loan Party, as the case may be, in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

6.03 NO LEGAL BAR.

Except as could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect, the execution, delivery and performance of each Loan Document, the borrowing and use of the proceeds of the Loans and the consummation of the transactions contemplated by the Loan Documents: (a) will not violate any Law or any Contractual Obligation applicable to or binding upon Holdings, the Borrower or any Subsidiary of the Borrower or any of their respective properties or assets and (b) will not result in the creation or imposition of any Lien on any of its properties or assets pursuant to any Law applicable to it or any of its Contractual Obligations, except for the Liens arising under the Pledge Agreement. Each Credit Extension hereunder constitutes "Senior Debt" under and, as defined in, the 2004 Indenture.

6.04 PURPOSE OF LOANS.

The proceeds of the Revolving Loans shall be used by the Borrower (i) to pay fees and expenses related to the preparation and negotiation of this Agreement and the other Loan Documents, (ii) to refinance the Existing Credit Agreement, (iii) for working capital, capital expenditures and other lawful corporate purposes, including, without limitation, the making of Investments permitted under Section 8.02 and (iv) to support the issuance of letters of credit for lawful corporate purposes. The proceeds of the Term Loan shall be used (i) to fund (in part) the Titan Acquisition, (ii) to refinance certain Indebtedness of The Titan Corporation and its Subsidiaries and (iii) to pay fees and expenses in connection therewith.

6.05 FINANCIAL CONDITION; NO CHANGE.

(a) The audited consolidated balance sheets at December 31, 2004 and the related statements of income and cash flows of Holdings and its Subsidiaries for the fiscal year then ended, certified by PricewaterhouseCoopers L.L.P. have been delivered to the Administrative Agent and the Lenders and have been prepared in accordance with GAAP consistently applied throughout the periods covered (except as disclosed therein and except, with respect to unaudited financial statements, for the absence of footnotes and normal year-end audit adjustments) and present fairly in all material respects the financial position of the Persons covered thereby as at the dates thereof and the results of their operations and cash flows for the periods then ended.

(b) Since December 31, 2004, there has been no development, event or circumstance which has had or could reasonably be expected to have a Material Adverse Effect.

6.06 NO MATERIAL LITIGATION.

Except as set forth on Schedule 6.06, no litigation by, investigation by, or proceeding of or before any arbitrator or any Governmental Authority is pending or, to the knowledge of the Borrower, overtly threatened by or against Holdings, the Borrower or any of its Subsidiaries or against any of its or their

respective properties or revenues with respect to any Loan Document or any of the transactions contemplated hereby or thereby or which could reasonably be expected to have a Material Adverse Effect. For the avoidance of doubt, if any litigation, investigation or proceeding identified on Schedule 6.06 shall result in a Material Adverse Effect, the Loan Parties hereby agree that the Lenders shall be under no obligation to make any Loan and the L/C Issuers shall be under no obligation to issue or extend any Letter of Credit hereunder.

6.07 NO DEFAULT.

Neither Holdings, the Borrower nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

6.08 OWNERSHIP OF PROPERTY; LIENS.

Each of Holdings, the Borrower and its Subsidiaries (a) has good record and insurable title in fee simple to, or a valid leasehold interest in, all its real property and (b) has good title to, or a valid leasehold interest in, all its other property, except for such defects in title or interest as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.09 INTELLECTUAL PROPERTY.

Each of Holdings, the Borrower and each of its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, technology, know how and processes necessary for the conduct of its business as currently conducted except for those the failure to own or license which could not reasonably be expected to have a Material Adverse Effect (the "Intellectual Property"). To the best of the Borrower's knowledge, no claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Borrower know of any valid basis for any such claim which in either case could reasonably be expected to have a Material Adverse Effect. The use of such Intellectual Property by Holdings, the Borrower and its Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.10 ENVIRONMENTAL MATTERS.

Except insofar as any exception to any of the following, or any aggregation of such exceptions, is not reasonably likely to result in a Material Adverse Effect:

(a) The facilities and properties owned, leased or operated by Holdings, the Borrower or any of its Subsidiaries (the "Properties") do not contain, and have not previously contained,

any Materials of Environmental Concern in amounts or concentrations which (i) constitute or constituted a violation of, or (ii) could reasonably be expected to give rise to liability under, any applicable Environmental Law.

(b) None of Holdings, the Borrower nor any of its Subsidiaries has received any written notice of violation, alleged violation, non compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the Business, nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened.

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably be expected to give rise to liability under, any applicable Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably be expected to give rise to liability under, any applicable Environmental Law.

(d) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which Holdings, the Borrower or any Subsidiary is or, to the knowledge of the Borrower, will be named as a party or with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business.

(e) There has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of Holdings, the Borrower or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could reasonably give rise to liability under any applicable Environmental Laws.

(f) The Properties and all operations at the Properties are in compliance, and have in the last 3 years been in compliance, in all material respects with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any applicable Environmental Law with respect to the Properties or the business operated by Holdings, the Borrower or any of its Subsidiaries (the "Business") which could materially interfere with the continued operation of the Properties or materially impair the fair saleable value thereof.

(g) Holdings, the Borrower and its Subsidiaries hold and are in compliance with all Environmental Permits necessary for their operations.

6.11 TAXES.

Each of Holdings, the Borrower and its Subsidiaries has filed or caused to be filed all material tax returns which, to the knowledge of the Borrower, are required to be filed and has paid all taxes shown to be due and payable on said returns or on any material assessments made against it or any of its property (other than any the amount or validity of which are currently

being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of Holdings, the Borrower or its Subsidiaries, as the case may be); no material tax Lien has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any material tax, fee or other charge.

6.12 ERISA.

(a) Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) no Reportable Event has occurred with respect to any Single Employer Plan; (ii) all contributions required to be made with respect to a Plan have been timely made; (iii) none of Holdings, the Borrower nor any ERISA Affiliate has incurred any material liability to or on account of a Plan that remains unsatisfied pursuant to Section 409, 502(i), 502(1), 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 401(a)(29), 4971, 4975 or 4980 of the Code or reasonably expects to incur any liability (including any indirect, contingent or secondary liability) under any of the foregoing Sections with respect to any Plan; (iv) no termination of, or institution of proceedings to terminate or appoint a trustee to administer, a Single Employer Plan has occurred; (v) each Plan has complied with the applicable provisions of ERISA and the Code (except that with respect to any Multiemployer Plan, such representation is deemed made only to the knowledge of the Borrower) and (vi) no "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA), extension of any amortization period (within the meaning of Section 412 of the Code) or Lien in favor of the PBGC or a Single Employer Plan has arisen or has occurred during the five year period prior to the date on which this representation is made or deemed made with respect to any Single Employer Plan.

(b) Neither Holdings, the Borrower nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan for which there is any outstanding material liability, and neither Holdings, the Borrower nor any ERISA Affiliate would become subject to any liability under ERISA if Holdings, the Borrower or any such ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made in an amount which would be reasonably likely to have a Material Adverse Effect. To the knowledge of the Borrower, no Multiemployer Plan is in Reorganization or Insolvent except to the extent that any such event could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.13 SUBSIDIARIES.

The Domestic Subsidiaries of the Borrower and their respective jurisdictions of incorporation on the Closing Date shall be as set forth on Schedule 6.13. The exact legal name of each Loan Party is as set forth on the signature pages hereto.

6.14 FEDERAL REGULATIONS; INVESTMENT COMPANY ACT; OTHER REGULATIONS.

(a) No part of the proceeds of any Loans will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation

U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect.

(b) None of Holdings, the Borrower or any of its Subsidiaries is an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended. None of Holdings, the Borrower or any of its Subsidiaries is subject to regulation under any Federal or State statute or regulation (other than Regulation X of the Board of Governors of the Federal Reserve System) which limits its ability to incur the types of Indebtedness comprising the Obligations.

6.15 COLLATERAL DOCUMENTS.

Upon the execution and delivery thereof by the parties thereto, the Pledge Agreement will be effective to create in favor of the Administrative Agent, for the ratable benefit of the Lenders, a legal, valid and enforceable security interest in the pledged stock described therein and, when stock certificates representing or constituting the pledged stock described therein are delivered to the Administrative Agent, together with undated stock powers executed in blank therefor, such security interest shall, subject to the existence of Permitted Liens, constitute a perfected first lien on, and security interest in, all right, title and interest of the pledgor party thereto in the pledged stock described therein.

6.16 ACCURACY AND COMPLETENESS OF INFORMATION.

Neither (a) the Confidential Information Memorandum nor (b) any other information, report, financial statement, exhibit or schedule furnished in writing by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or included herein or delivered pursuant hereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, the Borrower represents only that it acted in good faith and utilized reasonable assumptions and due care in the preparation of such information, report, financial statement, exhibit or schedule.

6.17 LABOR MATTERS.

There are no strikes pending or, to the Borrower's knowledge, overtly threatened against Holdings, the Borrower or any of its Subsidiaries which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The hours worked and payments made to employees of Holdings, the Borrower and each of its Subsidiaries (and their predecessors) have not been in violation of the Fair Labor Standards Act or any other applicable Law, except to the extent such violations could not, or in the aggregate, be reasonably expected to have a Material Adverse Effect.

ARTICLE VII
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 7.01, 7.02, and 7.03) cause each Subsidiary to:

7.01 FINANCIAL STATEMENTS.

The Borrower will deliver to the Administrative Agent, whether or not the Borrower has a class of securities registered under the Exchange Act, (i) within 90 days after the end of each fiscal year of the Borrower, the annual reports and (ii) within 45 days after the end of each fiscal quarter of the Borrower, quarterly reports (including with respect to the fourth quarter of each fiscal year) that the Borrower would be required to file if the Borrower were subject to section 13(a) or 15(d) of the Exchange Act; provided, that any reports

required to be delivered pursuant to this Section 7.01 which are made available on EDGAR or any successor system of the SEC shall be deemed delivered when so made available.

All such financial reports shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by the accountants or officer auditing or preparing such financial reports, as the case may be, and disclosed therein) and, in the case of quarterly reports, subject to year-end audit adjustments and footnote disclosures.

7.02 CERTIFICATES; OTHER INFORMATION.

Deliver to the Administrative Agent (who will make available to the Lenders), in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) within five days after the date on which Borrower delivers the annual financial statements required by Section 7.01, a certificate of its independent certified public accountants certifying such financial statements without material qualification;

(b) within five days after the delivery of the financial statements required by Section 7.01, a certificate signed by a Responsible Officer of the Borrower (i) stating that, to the best of such Responsible Officer's knowledge, during such period (A) no Subsidiary has been formed or acquired (or, if any such Subsidiary has been formed or acquired, the Borrower has complied with the requirements of Section 7.09 with respect thereto) and (B) such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) setting forth, in the form of the Compliance Certificate, the computation of the financial covenants in Section 8.08 as of the last day of the fiscal quarter most recently ended and (iii) setting forth the amount of Restricted Payments which the Borrower or any Subsidiary would be permitted to make pursuant to Section 8.06(f) as of the end of the fiscal quarter covered by such financial statements;

(c) promptly, after their becoming available, copies of all proxy statements and all registration statements filed by the Borrower or Holdings under the Securities Act of 1933, as amended (other than registration statements on Form S-8 or any registration statement filed in connection with a dividend reinvestment plan), and regular and periodic reports, if any, which the Borrower or Holdings shall have filed with the SEC (or any governmental agency or agencies substituted therefore) under Section 13 or Section 15(d) of the Securities and Exchange Act of 1934, as amended, or with any national securities exchange (other than those which have already been delivered pursuant to Section 7.01 or on Form 11-K or any successor form); provided, that documents required to be delivered under this clause (c) which are made available on the internet via the EDGAR, or any successor, system of the SEC shall be deemed delivered when made so available; and

(d) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

The Lenders agree that the documents required to be delivered by the Borrower to the Administrative Agent pursuant to Section 7.01 may be delivered by the Administrative Agent to the Lenders electronically and shall be deemed to have been delivered by the Administrative Agent to the Lenders on the date on which such documents are posted by the Administrative Agent on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third party website or whether sponsored by the Administrative Agent).

7.03 NOTICES.

(a) Promptly upon any Responsible Officer of the Borrower obtaining knowledge of any of the following, furnish to the Administrative Agent written notice of the following:

(i) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(ii) the filing or commencement of any action, suit or proceeding,

whether at law or in equity or by or before any Governmental Authority, against Holdings or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect; and

(iii) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

(b) Notify the Administrative Agent of any material change in accounting policies or financial reporting practices by Holdings, the Borrower or any Subsidiary concurrently with the delivery of the financial statements required hereunder first affected by such change.

The Administrative Agent agrees that it will promptly send to the Lenders any written notice received by the Administrative Agent pursuant to Section 7.03(a) or (b).

7.04 PAYMENT OF TAXES AND MATERIAL OBLIGATIONS.

Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its (a) material taxes, fees, assessments, and other governmental charges and (b) other obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be, except in the case of clause (b), to the extent any failure to pay, discharge or otherwise satisfy could not reasonably be expected to have a Material Adverse Effect.

7.05 CONDUCT OF BUSINESS; MAINTENANCE OF EXISTENCE AND PROPERTY; COMPLIANCE WITH LAW.

Except as not prohibited by Sections 8.04 and 8.05, (a) continue to engage in business of the same general type as now conducted by it and/or any Similar Business; (b) with respect to Holdings and the Borrower (and with respect to the other Loan Parties, to the extent necessary to stay in compliance with Section 7.09(d)), preserve, renew and keep in full force and effect its corporate existence; (c) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business except if (i) in the reasonable business judgment of the Borrower or such Subsidiary, as the case may be, it is in its best economic interest not to preserve and maintain such rights, privileges or franchises, and (ii) such failure to preserve and maintain such privileges, rights or franchises could not reasonably be expected to have a Material Adverse Effect; (d) keep all property useful and necessary in its business in good working order and condition (ordinary wear and tear and damage by fire and/or other casualty or taking by condemnation excepted) except to the extent that the failure to do so could not, in the aggregate, be reasonably expected to have a Material Adverse Effect; and (e) comply with all Contractual Obligations and applicable Laws except to the extent that the failure to comply therewith could not, in the aggregate, be reasonably expected to have a Material Adverse Effect.

7.06 MAINTENANCE OF INSURANCE.

The Borrower will maintain for itself and its Subsidiaries, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies of similar stature engaged in the same or similar businesses operating in the same or similar locations.

7.07 INSPECTION OF PROPERTY; BOOKS AND RECORDS.

Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and with all applicable Law in all material respects shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records (except to the extent any such

access is restricted by a Law) (and shall cause Holdings to permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records (except to the extent any such access is restricted by a Law)) at any reasonable time on a Business Day and as often as may reasonably be desired and to discuss the

business, operations, properties and financial and other condition of Holdings, the Borrower and its Subsidiaries with officers and employees of Holdings, the Borrower and its Subsidiaries and with its independent certified public accountants; provided that the Administrative Agent or such Lender shall notify the Borrower prior to any contact with such accountants and give the Borrower the opportunity to participate in such discussions; provided, further, that the Borrower shall notify the Administrative Agent of any such visits, inspections or discussions prior to each occurrence thereof.

7.08 PLEDGED ASSETS.

(a) Within forty-five (45) Business Days following the Collateral Effective Date, the Loan Parties shall execute and deliver to the Administrative Agent the Pledge Agreement (which shall provide for pledge by each Loan Party of 100% of the issued and outstanding Equity Interests in each of its Wholly Owned Subsidiaries that are Domestic Subsidiaries (other than Immaterial Subsidiaries) and 65% of the total combined voting power of the Equity Interests in each of its first tier Wholly Owned Subsidiaries that are Foreign Subsidiaries (other than Immaterial Subsidiaries)) and the following agreements, documents and instruments, each in form, content and scope reasonably satisfactory to the Administrative Agent:

(i) all stock certificates evidencing the Equity Interests in the Subsidiaries of each Loan Party pledged pursuant to the Pledge Agreement (including, prior to the merger of the Borrower and Holdings, the stock certificates representing the stock of the Borrower), together with duly executed in blank undated stock powers attached thereto;

(ii) duly executed UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's reasonable discretion, to perfect the Lenders' security interest in the Collateral;

(iii) certified resolutions and other organizational and authorizing documents for each such Loan Party; and

(iv) an opinion of counsel addressed to the Administrative Agent, on behalf of the Lenders, covering such issues as reasonably requested by the Administrative Agent, including, without limitation, the legality, validity, binding effect and enforceability of the documentation referred to above and the attachment and perfection of the Liens thereunder.

(b) If at any time the Borrower or any Subsidiary is required to provide a Lien with respect to any Equity Interests of any of its Subsidiaries to the holders of the Indebtedness permitted to be secured hereunder, the Borrower shall cause such Persons to provide the Administrative Agent, on the behalf of the Lenders, with an equal and ratable lien in such Equity Interests pursuant to documentation substantially in the form of the Pledge Agreement and other documents in form, content and scope reasonably satisfactory to the Administrative Agent identified in Section 7.08(a) above at the same time the Borrower and such other Persons provide a Lien on such Equity Interests to the holders of such Indebtedness permitted to be secured hereunder. The Borrower agrees that the Liens contemplated by the preceding sentence may not

be granted until such time as the Lenders have entered into a satisfactory intercreditor agreement with the holders of the Indebtedness permitted to be secured hereunder.

(c) Within 30 days following (i) any Collateral Release Date or (ii) the Collateral Termination Date, if the Collateral Termination Date shall have occurred after the Collateral Effective Date, the Administrative Agent shall take all action reasonably necessary to release its Lien on the Collateral, including, without limitation, return of stock certificates and stock powers and filing of UCC termination statements, all at the Borrower's expense.

7.09 COLLATERAL AND GUARANTEES.

(a) At all times following the Collateral Effective Date and prior to any Collateral Release Date, with respect to any Equity Interests of any newly created or acquired Wholly Owned Subsidiary (other than any Immaterial Subsidiary) or any newly issued Equity Interests of any existing Wholly Owned Subsidiary (other than any Immaterial Subsidiary) acquired by the Borrower or any of its Subsidiaries that is intended to be subject to the Lien created by the Pledge Agreement (as described in Section 7.08(a)) but which is not so subject, promptly (and in any event within thirty (30) days after the acquisition, creation or issuance thereof): (i) execute and deliver to the Administrative Agent such amendments to the Pledge Agreement or such other documents as the Administrative Agent shall deem necessary to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a Lien

on such Equity Interests (provided that, in no event, shall any Loan Party be required to pledge more than 65% of the total voting power of the Equity Interests in any Foreign Subsidiary), (ii) take all actions necessary or advisable to cause such Lien to be duly perfected in accordance with applicable Law, including delivering all such original stock certificates, if any, evidencing such Equity Interests to the Administrative Agent together with undated stock powers executed in blank therefor, and (iii) if reasonably requested by the Administrative Agent or the Required Lenders, deliver to the Administrative Agent legal opinions relating to the matters described in clauses (i) and (ii) immediately preceding, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(b) At all times prior to the Guaranty Release Date, with respect to any Person that, subsequent to the Closing Date, becomes a direct or indirect Wholly Owned Subsidiary that is a Domestic Subsidiary of the Borrower (other than an Immaterial Subsidiary) promptly (and in any event within thirty (30) days after such Person becomes a Subsidiary): (i) cause such new Subsidiary to become a Guarantor by executing and delivering to the Administrative Agent a Joinder Agreement in substantially the same form as Exhibit I and, at all times following the Collateral Effective Date but prior to any Collateral Release Date, to the extent such Subsidiary holds any Equity Interests of any Wholly Owned Subsidiary that is not an Immaterial Subsidiary, to become a party to the Pledge Agreement and deliver all of the other items related to such pledged Equity Interests required by Section 7.08 and (ii) if reasonably requested by the Administrative Agent or the Required Lenders, deliver to the Administrative Agent legal opinions relating to the matters described in clause (i) immediately preceding, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) As described in the foregoing provisions of Section 7.08 and this Section 7.09, (i) no Immaterial Subsidiary, Foreign Subsidiary or Non-Wholly Owned Subsidiary (except as provided in Section 7.09(d) or (e) below) of the Borrower or its Subsidiaries shall be required to become a Guarantor hereunder or grant a Lien on the Equity Interests of its Subsidiaries pursuant to the Pledge Agreement, (ii) no Equity Interests of an Immaterial Subsidiary (except as provided in Section 7.08(b)) shall be required to be pledged hereunder and (iii) no more than 65% of the total combined voting power of the Equity Interests in any direct or indirect Foreign Subsidiary of the Borrower shall be required to be pledged hereunder; provided, that if any Domestic Subsidiary that is not wholly owned thereafter becomes a Wholly Owned Subsidiary prior to the Guaranty Release Date or if any Immaterial Subsidiary that is a Domestic Subsidiary ceases to be an Immaterial Subsidiary prior to the Guaranty Release Date, then each such Subsidiary shall become a Guarantor under this Agreement and if such event occurs after the Collateral Effective Date but prior to any Collateral Release Date, the Borrower shall grant to the Administrative Agent, on behalf of the Lenders, a Lien on its Equity Interests in accordance with the terms of the Pledge Agreement and deliver all of the items related to the pledge of such Equity Interests required by Section 7.08 with respect to such Equity Interests.

(d) Notwithstanding anything to the contrary contained in this Agreement, prior to the Guaranty Release Date, the aggregate amount of the Non-Loan Party Operating Assets shall at no time be greater than 25% of the Total Assets.

(e) Notwithstanding anything to the contrary contained in this Agreement, if at any time any Subsidiary that is not required to be a Guarantor hereunder provides a guarantee of the Borrower's obligations in respect of any Indebtedness of the type described in any of clauses (a), (e) or (f) of the definition of "Indebtedness" contained in Section 1.01, then promptly (and in any event within 30 days thereof), the Borrower cause such Subsidiary to (i) become a Guarantor hereunder by executing and delivering to the Administrative Agent a Joinder Agreement or such other documents as the Administrative Agent shall reasonably deem appropriate for such purpose, and (ii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described in clause (i) immediately preceding, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

7.10 GOVERNMENT CONTRACTS.

The Borrower and its Subsidiaries shall apply for and maintain all material facility security clearances and personnel security clearances required of the Borrower under all applicable Laws to perform and deliver under any and all government contracts and as otherwise may be necessary to continue to perform the business of the Borrower and its Subsidiaries, except where failure to do so could not reasonably be expected to have a Material Adverse Effect.

7.11 FURTHER ASSURANCES REGARDING COLLATERAL.

At all times following the Collateral Effective Date and prior to any Collateral Release Date, Holdings and the Borrower shall, and shall cause each of its Subsidiaries to, upon the reasonable request of the Administrative Agent, promptly perform or cause to be performed any

and all acts and execute or cause to be executed and delivered any and all documents which are necessary to maintain in favor of the Administrative Agent, for the benefit of the holders of the Obligations, Liens on the Collateral that are duly perfected in accordance with all applicable Laws.

ARTICLE VIII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 LIENS.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings;

(d) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and deposits securing liability to insurance carriers under insurance or self insurance arrangements;

(e) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) easements, rights of way, zoning restrictions, other restrictions and other similar encumbrances previously or hereafter incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or such Subsidiary;

(g) Liens on property or assets of the Borrower or any of its Subsidiaries existing on the Closing Date except for any such Lien securing Indebtedness in excess of $5,000,000 that is not set forth on Schedule 8.01, provided that all Liens permitted by this paragraph (g) shall secure only those obligations which they secure on the Closing Date (assuming that any unfunded commitments in respect thereof have been fully funded);

(h) Liens upon any property acquired, constructed or improved by the Borrower or any Subsidiary which are created or incurred within 180 days of such acquisition, construction or improvement to secure or provide for the payment of the purchase price of such property or the cost of such construction or improvement, including carrying costs (but no other amounts), provided that any such Lien shall not apply to any other property of the Borrower or any Subsidiary (other than after acquired title in or on such property and proceeds of the existing collateral in accordance with the instrument creating such Lien);

(i) Liens on the property or assets of a Person which becomes a

Subsidiary after the Initial Closing Date, provided that (i) such Liens existed at the time such Person became a Subsidiary and were not created in anticipation thereof, (ii) any such Lien is not expanded to cover any property or assets of such Person after the time such Person becomes a Subsidiary (other than after acquired title in or on such property and proceeds of the existing collateral in accordance with the instrument creating such Lien), and (iii) the amount of the obligations secured thereby is not increased (assuming that any unfunded commitments in respect thereof have been fully funded);

(j) Liens on property and assets securing obligations assumed by the Borrower or a Subsidiary in connection with an Acquisition of such property or assets, provided that (i) such Liens existed at the time of such Acquisition and were not created in anticipation thereof, (ii) any such Lien is not expanded to cover any other property or assets (other than after acquired title in or on the property or assets acquired and proceeds of the existing collateral in accordance with the instrument creating such Lien) and (iii) the amount of obligations secured thereby is not increased (assuming that any unfunded commitments in respect thereof have been fully funded);

(k) Liens on the property of the Borrower or any of its Subsidiaries in favor of landlords securing licenses, subleases or leases entered into in the ordinary course of business;

(l) licenses, leases or subleases permitted hereunder granted to other Persons not interfering in any material respect in the business of the Borrower or any of its Subsidiaries;

(m) so long as no Default or Event of Default shall have occurred and be continuing under clause Section 9.01(h), attachment or judgment Liens;

(n) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to operating leases or consignment arrangements entered into by the Borrower, or any of its subsidiaries in the ordinary course of business;

(o) Liens in favor of a banking institution arising by operation of law encumbering deposits (including the right of set off) held by such banking institutions incurred in the ordinary course of business and which are within the general parameters customary in the banking industry;

(p) Liens securing obligations in respect of trade letters of credit covering the goods (or the documents of title in respect of such goods) financed by such trade letters of credit and the proceeds and products thereof;

(q) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(r) Liens referred to in paragraphs (a) through (q) of this Section 8.01 with respect to extensions, renewals and replacements of obligations secured thereby, provided that any such extension, renewal or replacement Lien shall be limited to the property or assets covered by the Lien extended, renewed or replaced (other than after acquired title in or on such property or assets and proceeds of the existing collateral in accordance with the instrument creating such Lien) and that the obligations secured by any such extension, renewal or replacement Lien shall be in an amount not greater than the amount of the obligations secured by the Lien extended, renewed or replaced (assuming that any unfunded commitments in respect of such extended, renewed or replaced obligations have been fully funded);

(s) Liens arising in connection with any Permitted Receivables Program (to the extent the sale by the Borrower or the applicable Subsidiary of its accounts receivable is deemed to give rise to a Lien in favor of the purchaser thereof in such accounts receivable or the proceeds thereof);

(t) Liens securing Synthetic Lease Obligations incurred to finance the acquisition, construction or improvement of any fixed or capital assets acquired by the Borrower or any Subsidiary after the Initial Closing Date;

(u) Liens on Equity Interests of a Person being acquired by the Borrower or any Subsidiary as security for such purchaser's deferred payment obligations with respect thereto;

(v) Liens (not otherwise permitted hereunder) which secure obligations

in an aggregate amount at any time outstanding (when aggregated with, at all times following the Guaranty Release Date, the aggregate principal amount of all Indebtedness of the Subsidiaries of the Borrower permitted by Section 8.03(h)) not to exceed 5% of Consolidated Total Assets; and

(w) Liens on Equity Interests of any Subsidiary (not otherwise permitted hereunder) which secure other Indebtedness of Holdings, the Borrower or any of its Subsidiaries not prohibited hereunder; provided that the Administrative Agent, for the benefit of the holders of the Obligations, shall have an equal and ratable Lien on such Equity Interests pursuant to documentation (including intercreditor provisions) reasonably satisfactory to the Administrative Agent.

8.02 INVESTMENTS.

Make any Investments, except:

(a) Investments (including Acquisitions) in any Person (other than Holdings); provided that (i) (both before and after giving effect to any such Investment), there shall exist no Default or Event of Default, (b) if any such Investment is an Acquisition, such Acquisition shall be of assets or Equity Interests of any Person engaged in a Similar Business, (c) if any such Investment is an Acquisition of a majority of the Equity Interests of any Person, such Person's board of directors or similar governing body shall have approved such Acquisition, (d) after giving effect to any Acquisition on a Pro Forma Basis, the Borrower shall be in compliance with Section 8.08(a), (b), and (c) and (e) after giving effect to any Acquisition (subject to the grace period provided for in Section 7.09(b)), the Borrower shall be in compliance with Section 7.09(d);

(b) intercompany advances by the Borrower or any Subsidiary to Holdings to fund payments of interest on Indebtedness (other than Disqualified Preferred Stock) of Holdings or to fund payments of dividends on Disqualified Preferred Stock issued by Holdings; provided, that, (i) any such Indebtedness or Disqualified Preferred Stock is guaranteed by the Borrower, and (ii) the proceeds received by Holdings from the issuance of such Indebtedness or Disqualified Preferred Stock shall have been invested by Holdings in the Borrower (or used to refinance in full Indebtedness (including Disqualified Preferred Stock), the proceeds of which were previously invested in the Borrower);

(c) intercompany advances by the Borrower or any Subsidiary to Holdings to fund payments and prepayments (whether optional or mandatory) of principal of, Indebtedness (other than Disqualified Preferred Stock) of Holdings, and to fund optional and mandatory redemptions in respect of Disqualified Preferred Stock issued by Holdings, provided that (i) any such Indebtedness or Disqualified Preferred Stock is guaranteed by the Borrower and (ii) the aggregate amount of such intercompany advances made pursuant to this Section 8.02(c), together with the aggregate amount of dividends or distributions made by the Borrower pursuant to Section 8.06(c), shall not, at any time, exceed the aggregate amount of investments made by Holdings in the Borrower with the proceeds received by Holdings in respect of any issuance of Indebtedness (including Disqualified Preferred Stock) by Holdings subsequent to the Initial Closing Date which is so guaranteed by the Borrower;

(d) Investments by the Borrower or any Subsidiary in Holdings not permitted by Section 8.02(b) or (c); provided that (i) no Default or Event of Default shall have occurred and be continuing or result therefrom and (ii) the aggregate amount of the sum (following the Initial Closing Date) of (A) the aggregate amount of Investments made by the Borrower or any Subsidiary in Holdings (other any intercompany advances made by the Borrower or any Subsidiary pursuant to Section 8.02(b) or (c)) plus (B) the Equity Interests or Disqualified Preferred Stock repurchased, redeemed, retired, acquired or otherwise receiving payments on account of any return of capital by the Borrower (other than any repurchase, redemption, retirement, acquisition or other payment on account of any return of capital pursuant to Section 8.06(c) or (e)) plus (C) the amount of dividend payments or distributions made by the Borrower in respect of its Equity Interests or Disqualified Preferred Stock (other than any dividends or distributions permitted by Section 8.06(a), (b), (c) or (d)) plus (D) the amount of Subordinated Debt prepaid,

redeemed, purchased, defeased or otherwise satisfied by the Borrower or any Subsidiary (other than any prepayment, redemption, purchase, defeasance or other satisfaction of Subordinated Debt pursuant to Section 8.10(b)(i) or (ii)), shall not exceed an aggregate amount equal to the sum of $1,000,000,000 increased on a cumulative basis as of the end of each fiscal quarter of the Borrower, commencing with the fiscal quarter ending March 31, 2005 by an amount equal to 50% of Consolidated Net Income for the fiscal quarter then ended (or, if such Consolidated Net Income for such fiscal quarter is a deficit, less 50% of such deficit) plus an amount equal to 100% of the proceeds from any issuances of Equity Interests by Holdings (provided the proceeds from such any such issuance (or, without duplication, from any Equity Interests or Indebtedness of Holdings purchased, redeemed or cancelled in conversion by virtue of such issuance) are (or were) invested in the Borrower) subsequent to the Initial Closing Date plus 100% of the proceeds from any issuances of Indebtedness by Holdings (provided that (i) such Indebtedness is not guaranteed by the Borrower or any Subsidiary and (ii) the proceeds from such issuance (or, without duplication, from any Equity Interests or Indebtedness of Holdings purchased, redeemed or cancelled in conversion by virtue of such issuance) are (or were) invested in the Borrower) subsequent to the Initial Closing Date plus 100% of the proceeds from any issuance of Equity Interests by the Borrower (or, without duplication, from any Equity Interests or Indebtedness of the Borrower purchased, redeemed or cancelled in conversion by virtue of such issuance) subsequent to the Initial Closing Date; and

(e) the Titan Acquisition.

8.03 SUBSIDIARY INDEBTEDNESS.

After the Guaranty Release Date, permit any Subsidiary to create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness issued to the Borrower or any other Subsidiary;

(c) Indebtedness of any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (including Capital Lease Obligations), and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement;

(d) Indebtedness of any Subsidiary incurred in connection with the issuance of any surety bonds, letters of credit or other similar bonds in the ordinary course of business;

(e) Indebtedness of the Subsidiaries arising in connection with the Permitted Receivables Programs;

(f) Synthetic Lease Obligations of any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets acquired by such Subsidiary subsequent to the Initial Closing Date;

(g) any Guarantee provided by any Subsidiary to support Indebtedness of Holdings or the Borrower for borrowed money; provided that any such Subsidiary is also a Guarantor hereunder (whether or not the Guaranty Release Date has occurred); and

(h) Indebtedness, other than pursuant to the foregoing provisions of this Section 8.03, in an aggregate amount at any one time outstanding, together with the aggregate amount of Indebtedness secured by Liens permitted by Section 8.01(v), not to exceed 5% of Consolidated Total Assets.

8.04 FUNDAMENTAL CHANGES.

With respect solely to the Borrower, (i) merge, consolidate, liquidate, amalgamate, wind up or dissolve with or into another Person, or (ii) convey, sell, lease, assign, transfer or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its property, business or assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:

(a) any Person may merge into or consolidate with the Borrower in a transaction in which the Borrower is the surviving Person if no Event of Default or Default shall have occurred and be continuing or would occur

immediately after giving effect thereto;

(b) the Borrower may make any conveyance, sale, assignment or disposition of assets permitted by Section 8.05; and

(c) Holdings may merge into or consolidate with the Borrower; provided that (i) the Borrower shall provide written notice to the Administrative Agent prior to such merger or consolidation and (ii) to the extent Holdings is the surviving Person, Holdings shall assume contemporaneously with such merger or consolidation all of the obligations of the Borrower under this Agreement and the other Loan Documents pursuant to documentation reasonably satisfactory to the Administrative Agent. Following any merger pursuant to this Section 8.04(c), all references to "Holdings" and to the "Borrower" shall be read as references to the Person surviving the merger.

8.05 LIMITATION ON SALE OF ASSETS.

Convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, receivables and leasehold interests), whether now owned or hereafter acquired, except:

(a) the sale or other disposition of obsolete, surplus or worn out property in the ordinary course of business;

(b) the sale, lease, transfer or exchange of inventory in the ordinary course of business;

(c) transfers resulting from any casualty or condemnation of property or assets;

(d) intercompany sales or transfers of assets made in the ordinary course of business;

(e) licenses, leases or subleases of tangible property in the ordinary course of business;

(f) any consignment arrangements or similar arrangements for the sale of assets in the ordinary course of business;

(g) the sale or discount of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof;

(h) the sale of receivables in connection with any Permitted Receivables Program;

(i) licensing and cross-licensing arrangements involving technology or other intellectual property of the Borrower or a Subsidiary in the ordinary course of business;

(j) sales, transfers or other dispositions of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any Subsidiary of the Borrower;

(k) conveyances, sales, leases, assignments, transfers or other dispositions of any of its property, business or assets if the Net Proceeds thereof shall be used by the Borrower or such Subsidiary to acquire assets to be employed in the business (including any Similar Business) of the Borrower or its Subsidiaries or make Acquisitions of Persons engaged in a Similar Business in accordance with Section 8.02(a) within 365 days of receipt thereof; provided, that if such Net Proceeds are not so used, an amount equal to the Cumulative Asset Sale Amount determined on the last day of each such 365-day period, if any, shall be applied toward the prepayment of the Loans and the permanent reduction of the Revolving Commitments on the 366th day after receipt of such Net Proceeds in accordance with Section 2.05(d) (each, a "Required Prepayment Date"); and

(l) the conveyance, sale, assignment or other disposition of assets, in addition to those permitted by any other clause of this Section 8.05, provided, that the aggregate value of all such assets conveyed, sold, assigned or otherwise disposed of pursuant to this Section 8.05(l) during the term of this Agreement shall not exceed 7.5% of the Consolidated Total Assets.

8.06 RESTRICTED PAYMENTS.

Declare or make, directly or indirectly, any Restricted Payment, except that:

(a) the Borrower may declare and make dividend payments or other distributions payable solely in the common stock or other Equity Interests of the Borrower;

(b) the Borrower may declare and make dividend payments or other distributions in respect of its Equity Interests to fund payments of interest on Indebtedness (other than Disqualified Preferred Stock) of Holdings, or to fund payments of dividends on Disqualified Preferred Stock issued by Holdings; provided, that, (i) any such Indebtedness or Disqualified Preferred Stock is guaranteed by the Borrower, and (ii) the proceeds received by Holdings from the issuance of such Indebtedness or Disqualified Preferred Stock shall have been invested by Holdings in the Borrower (or used to refinance in full Indebtedness (including any Disqualified Preferred Stock), the proceeds of which were previously invested in the Borrower);

(c) the Borrower may declare and make dividend payments or other distributions in respect of its Equity Interests to fund payments and prepayments (whether optional or mandatory) of principal of Indebtedness (other than Disqualified Preferred Stock) of Holdings, and to fund payments of optional and mandatory redemptions in respect of Disqualified Preferred Stock issued by Holdings, provided that (i) any such Indebtedness or Disqualified Preferred Stock is guaranteed by the Borrower and (ii) the aggregate amount of such dividends and distributions made under this Section 8.06(c), together with the aggregate amount of intercompany advances made by the Borrower or any Subsidiary to Holdings pursuant to Section 8.02(c), shall not, at any time, exceed the aggregate amount of investments made by Holdings in the Borrower with the proceeds received by Holdings in respect of any issuance of Indebtedness (including Disqualified Preferred Stock) by Holdings subsequent to the Initial Closing Date which is so guaranteed by the Borrower;

(d) the Borrower may declare and make regularly scheduled dividend payments on Disqualified Preferred Stock issued by the Borrower;

(e) the Borrower may purchase, redeem, retire, acquire or otherwise make any payment on account of any return of capital in respect of, directly or indirectly, its own Disqualified Preferred Stock; provided that the aggregate amount of such Disqualified Preferred Stock repurchased, redeemed, retired, acquired or otherwise receiving payments on account of any return of capital by the Borrower under this Section 8.06(e) shall not, at any time, exceed the aggregate amount of the proceeds received by the Borrower in respect of any issuance of Disqualified Preferred Stock by the Borrower (or from any Equity Interests or Indebtedness of the Borrower purchased, redeemed or cancelled in conversion by virtue of such issuance) subsequent to the Initial Closing Date;

(f) the Borrower may otherwise purchase, redeem, retire, acquire, or otherwise make any payment on account of any return of capital in respect of, directly or indirectly, its own Equity Interests or Disqualified Preferred Stock and may declare and make dividend payments or other distributions thereon (whether in cash, securities or property); provided that (i) no Default or Event of Default shall have occurred and be

continuing or result therefrom and (ii) the aggregate amount of the sum (following the Initial Closing Date) of (A) the Equity Interests or Disqualified Preferred Stock repurchased, redeemed, retired, acquired or otherwise receiving payments on account of any return of capital by the Borrower (other than any repurchase, redemption, retirement, acquisition or other payment on account of any return of capital pursuant to Section 8.06(c), or (e)) plus (B) the amount of dividend payments or distributions made by the Borrower in respect of its Equity Interests or Disqualified Preferred Stock (other than any dividend or distribution made pursuant to Section 8.06(a), (b), (c) or (d)) plus (C) the aggregate amount of Investments made by the Borrower or any Subsidiary in Holdings (other than any intercompany advances made by the Borrower or any Subsidiary pursuant to Section 8.02(b) or (c)) plus (D) the aggregate amount of Subordinated Debt prepaid, redeemed, purchased, defeased or otherwise satisfied by the Borrower or any Subsidiary (other than any prepayment, redemption, purchase, defeasance or other satisfaction of Subordinated Debt pursuant to Section 8.10(b)(i) or (ii)), shall not exceed an aggregate amount equal to the sum of $1,000,000,000 increased on a cumulative basis as of the end of

each fiscal quarter of the Borrower, commencing with the fiscal quarter ending March 31, 2005 by an amount equal to 50% of Consolidated Net Income for the fiscal quarter then ended (or, if such Consolidated Net Income for such quarter is a deficit, less 50% of such deficit) plus an amount equal to 100% of the proceeds from any issuances of Equity Interests by Holdings (provided the proceeds from such issuance (or, without duplication, from any Equity Interests or Indebtedness of Holdings purchased, redeemed or cancelled in conversion by virtue of such issuance) are (or were) invested in the Borrower) subsequent to the Initial Closing Date plus 100% of the proceeds from any issuances of Indebtedness by Holdings (provided that (i) such Indebtedness is not guaranteed by the Borrower and (ii) the proceeds from such issuance (or, without duplication, from any Equity Interests or Indebtedness of Holdings purchased, redeemed or cancelled in conversion by virtue of such issuance) are (or were) invested in the Borrower) subsequent to the Initial Closing Date plus 100% of the proceeds from any issuances of Equity Interests by the Borrower (or, without duplication, from any Equity Interests or Indebtedness of the Borrower purchased, redeemed or cancelled in conversion by virtue of such issuance) subsequent to the Initial Closing Date;

(g) any Subsidiary may purchase, redeem, retire, acquire, or otherwise make any payment on account of any return of capital in respect of directly or indirectly, any of its Equity Interests; and

(h) any Subsidiary may declare and make dividend payments or other distributions on or in respect of its Equity Interests (whether in cash, securities or property); provided that solely in the case of any dividend or distribution payable on or in respect of any class or series of Equity Interests issued by a Non-Wholly Owned Subsidiary, the Borrower or any other Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of Equity Interests, if any.

8.07 TRANSACTIONS WITH AFFILIATES.

(a) Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate (other than the Borrower or any Subsidiary) unless such transaction is (i) otherwise permitted under this Agreement and (ii) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate.

(b) In addition, notwithstanding the foregoing, the Borrower and its Subsidiaries shall be entitled to make the following payments and/or to enter into the following transactions:

(i) the payment of reasonable and customary fees and reimbursement of expenses payable to directors of the Borrower and Holdings or to any Plan, Plan administrator or Plan trustee;

(ii) loans and advances to directors, officers and employees to the extent permitted by Section 8.02;

(iii) the arrangements with respect to the procurement of services of directors, officers, independent contractors, consultants or employees in the ordinary course of business and the payment of reasonable fees in connection therewith;

(iv) transactions with Holdings permitted by this Agreement; and

(v) payments to directors and officers of the Borrower and its Subsidiaries in respect of the indemnification of such Persons in such respective capacities from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements, as the case may be, pursuant to the Organization Documents or other corporate action of the Borrower or its Subsidiaries, respectively, or pursuant to applicable law.

8.08 FINANCIAL COVENANTS.

(a) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 3.0 to 1.0

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of (i) any fiscal quarter of the Borrower ending on or prior to December 31, 2005, to be greater than 4.50 to 1.00, (ii) the fiscal quarter

ending on March 31, 2006, to be greater than 4.25 to 1.00 or (iii) any fiscal quarter of the Borrower ending on or after June 30, 2006, to be greater than 4.00 to 1.00.

(c) Consolidated Senior Leverage Ratio. Permit the Consolidated Senior Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than 3.0 to 1.0.

8.09 LIMITATION ON NEGATIVE PLEDGE CLAUSES.

Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that limits the ability of any Loan Party to pledge its Equity Interests in any of its Subsidiaries pursuant to the terms of the Loan Documents, except for acquisition documentation which requires the pledge by the Borrower or any Subsidiary of Equity Interests of the Person being acquired as security for the purchaser's deferred payment obligations thereunder.

8.10 PREPAYMENT OF SUBORDINATED DEBT.

(a) Make any optional payment or prepayment on or redemption or purchase of, or deliver any funds to any trustee for the prepayment, redemption or defeasance of, any Subordinated Debt prior to the scheduled maturity thereof, or (b) amend, modify or change, or consent or agree to any amendment, modification or change to any of the material terms of the documentation governing any such Subordinated Debt if any such amendment, modification, or change or consent or agreement to any such amendment, modification or change would cause the Subordinated Debt to no longer satisfy the requirements set out in clauses (b) and (c) of the definition of "Additional Subordinated Debt", except:

(i) pursuant to a refinancing or refunding of Subordinated Debt with Additional Subordinated Debt; provided that no Default or Event of Default shall have occurred and be continuing giving effect to any such refinancing or refunding;

(ii) the prepayment, redemption, purchase, defeasance or other satisfaction of Subordinated Debt prior to the scheduled maturity thereof in a principal amount not to exceed the principal amount of Additional Subordinated Debt issued after the Initial Closing Date to the extent not used to refinance or refund Subordinated Debt pursuant to Section 8.10(b)(i); provided that no Default or Event of Default shall have occurred and be continuing at the time of any such prepayment, redemption, purchased, defeasance or other satisfaction or after giving effect thereto; and

(iii) other prepayments, redemptions, purchases, defeasances or other satisfaction of Subordinated Debt prior to the scheduled maturity thereof; provided that (A) no Default or Event of Default shall have occurred and be continuing or result therefrom and (B) the aggregate amount of the sum (following the Initial Closing Date) of (w) the amount of Subordinated Debt prepaid, redeemed, purchased, defeased or otherwise satisfied by the Borrower or any Subsidiary prior to the maturity thereof (other than any prepayment, redemption, purchase, defeasance or other satisfaction of Subordinated Debt pursuant to Section 8.10(b)(i) or (ii)) plus (x) the Equity Interests or Disqualified Preferred Stock repurchased, redeemed, retired, acquired or otherwise receiving payments on account of any return of capital by the Borrower (other than any repurchase, redemption, retirement, acquisition or other payment on account of any return of capital pursuant to Section 8.06(c), or (e)) plus (y) the amount of dividend payments or distributions made by the Borrower in respect of its Equity Interests or Disqualified Preferred Stock (other than any dividend or distribution made pursuant to Section 8.06(a), (b), (c) or (d)) plus (z) the aggregate amount of investments made by the Borrower or any Subsidiary in Holdings (other than any intercompany advances made by the Borrower or

any Subsidiary pursuant to Section 8.02(b) or (c)), shall not exceed an aggregate amount equal to the sum of $1,000,000,000 increased on a cumulative basis as of the end of each fiscal quarter of the Borrower, commencing with the fiscal quarter ending March 31, 2005 by an amount equal to 50% of Consolidated Net Income for the fiscal quarter then ended (or, if such Consolidated Net Income for such quarter is a deficit, less 50% of such deficit) plus an amount equal to 100% of the proceeds from any issuances of Equity Interests by Holdings (provided the proceeds from such issuance (or, without duplication, from any Equity Interests or

Indebtedness of Holdings purchased, redeemed or cancelled in conversion by virtue of such issuance) are (or were) invested in the Borrower) subsequent to the Initial Closing Date plus 100% of the proceeds from any issuances of Indebtedness by Holdings (provided that (i) such Indebtedness is not guaranteed by the Borrower and (ii) the proceeds from such issuance (or, without duplication, from any Equity Interests or Indebtedness of Holdings purchased, redeemed or cancelled in conversion by virtue of such issuance) are (or were) invested in the Borrower) subsequent to the Initial Closing Date plus 100% of the proceeds from any issuances of Equity Interests by the Borrower (or, without duplication, from any Equity Interests or Indebtedness of the Borrower purchased, redeemed or cancelled in conversion by virtue of such issuance) subsequent to the Initial Closing Date.

8.11 BORROWER EQUITY INTERESTS.

Holdings hereby agrees that it shall not create, incur, assume or suffer to exist any Lien upon the Equity Interests in the Borrower other than (a) Liens on Equity Interests in the Borrower which secure Indebtedness of Holdings, the Borrower or any of its Subsidiaries not prohibited hereunder, provided that the Administrative Agent, for the benefit of the holders of the Obligations, shall have an equal and ratable Lien on such Equity Interests pursuant to documentation (including intercreditor provisions) reasonably satisfactory to the Administrative Agent and (b) unless Liens have already been provided in favor of the Administrative Agent pursuant to clause (a) above, following the Collateral Effective Date, Liens on Equity Interests in the Borrower in favor of the Administrative Agent, for the benefit of the holders of the Obligations.

8.12 HOLDINGS.

(a) Holdings shall not have outstanding or acquire any Investment in any Person other than (i) Investments in the Equity Interests of the Borrower and Cash Equivalents and (ii) Investments in any trust related to issuance of Indebtedness or Equity Interests.

(b) Holdings shall not engage in any business activity or own any assets other than (i) its ownership and voting of the Equity Interests of the Borrower and any trust related to any Indebtedness or Equity Interests, (ii) the negotiation, execution, delivery of, and the performance of its obligations under the Loan Documents to which it is a party and any instruments, documents or other agreements related to such Indebtedness or Equity Interests, (iii) cash and Cash Equivalents, (iv) any other Investments permitted by Section 8.12(a), (v) a guarantee of Indebtedness of the Borrower or any of its Subsidiaries which is, or may be, ratably secured pursuant to Section 8.01(w), provided that the guaranty of Holdings hereunder ranks pari passu

in priority of payment with the guarantee of such other Indebtedness and (vi) its incurrence of any Indebtedness and its performance of any obligations in connection therewith.

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

9.01 EVENTS OF DEFAULT.

Any of the following shall constitute an Event of Default:

(a) Non- Payment. The Borrower or any other Loan Party shall fail to pay any principal of any Loan or any L/C Obligation when due in accordance with the terms thereof or hereof; or the Borrower or any Loan Party shall fail to pay any interest on any Loan or on any L/C Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms thereof or hereof;

(b) Representations and Warranties. Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made;

(c) Specific Covenants. The Borrower or any other Loan Party shall default in the observance or performance of any agreement contained in Article VIII, Section 7.03(a) or Section 4.01;

(d) Other Defaults. The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this

Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent;

(e) Cross-Default. Holdings, the Borrower or any of its Subsidiaries shall (i) default (x) in any payment of principal of or interest of any Indebtedness (other than the Loans, the L/C Obligations and any intercompany debt) or Swap Contract Obligations or (y) in the payment of any Guarantee (excluding any guaranties of the Obligations), beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness, Swap Contract Obligation or Guarantee was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness, Swap Contract Obligation or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee to become payable; provided, however,

that no Default or Event of Default shall exist under this paragraph unless (i) the aggregate amount of Indebtedness, Swap Contract Obligations and/or Guarantees in respect of which any default or other event or condition referred to in this paragraph shall have occurred shall be equal to at least the Threshold Amount and (ii) such default (if other than a payment default or a default that has resulted in acceleration of such other Indebtedness) continues for a period in excess of 10 days;

(f) Insolvency Proceedings, Etc. (i) Holdings, the Borrower or any of its Subsidiaries (other than any Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of its Subsidiaries (other than any Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, Borrower or any of its Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of its Subsidiaries (other than any Immaterial Subsidiary) shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of its Subsidiaries (other than any Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(g) ERISA. (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, reasonably likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a

withdrawal from, or

the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other similar event or condition shall occur or exist with respect to a Plan that is not in the ordinary course; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect;

(h) Judgments. One or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance (which coverage has been acknowledged by the appropriate insurers)) of the Threshold Amount or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof;

(i) Pledge Agreement. (i) The Pledge Agreement shall cease, for any reason, to be in full force and effect (unless released by the Administrative Agent at the direction of all of the Lenders or as otherwise permitted under this Agreement or the other Loan Documents), or the Borrower or any other Loan Party which is a party to the Pledge Agreements shall so assert or (ii) the Lien created by the Pledge Agreement shall cease to be enforceable and of the same effect and priority purported to be created thereby (unless released by the Administrative Agent at the direction of all of the Lenders or as otherwise permitted under this Agreement or the other Loan Documents), except to the extent that any such loss of perfection or priority results from the failure of the Administrative Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Pledge Agreement or to file Uniform Commercial Code continuation statements, (and, if such invalidity is such so as to be amenable to cure without materially disadvantaging the position of the Administrative Agent and the Lenders, as the case may be, as secured parties thereunder, the Loan Party shall have failed to cure such invalidity within 30 days after notice from the Administrative Agent);

(j) Guarantee. The Guarantee of any Loan Party under the Loan Documents shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect (unless released by the Administrative Agent at the direction of all of the Lenders or as otherwise permitted under this Agreement or the other Loan Documents) or any Loan Party or any Person acting on behalf of any Loan Party, shall deny or disaffirm its obligations under such Guarantee; or

(k) Change of Control. There shall have occurred a Change of Control.

Each notice given with respect to the occurrence of any Default or Event of Default shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

9.02 REMEDIES UPON EVENT OF DEFAULT.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

9.03 APPLICATION OF FUNDS.

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and each L/C Issuer (including fees, charges and disbursements of counsel to the respective

Lenders and each L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, the Unreimbursed Amounts and other Obligations, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and Unreimbursed Amounts and breakage, termination or other payments, any amounts owing under or in respect of any Swap Contracts between any Loan Party and any Lender, or any Affiliate of a Lender, to the extent such Swap Contract is permitted by Section 8.03(j), amounts due under any Treasury Management Agreement between any Loan Party and any Lender or any Affiliate of a Lender, and to the Administrative Agent for the account of the applicable L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been paid in full in cash, to the Borrower or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE X
ADMINISTRATIVE AGENT

10.01 APPOINTMENT AND AUTHORITY.

Each of the Lenders and the L/C Issuers hereby irrevocably appoint Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

10.02 RIGHTS AS A LENDER.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may

accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.03 EXCULPATORY PROVISIONS.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or an L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04 RELIANCE BY ADMINISTRATIVE AGENT.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance

of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.05 DELEGATION OF DUTIES.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

10.06 RESIGNATION OF ADMINISTRATIVE AGENT.

The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (not to be unreasonably withheld), unless an Event of Default shall have occurred and is continuing, in which case the consent of the Borrower shall not be required, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above subject to the consent of the Borrower (not to be unreasonably withheld), unless an Event of Default shall have occurred and is continuing, in which case the consent of the Borrower shall not be required; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment or has been approved by the Borrower and the Lenders, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from

its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an L/C Issuer and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the resigning Administrative Agent as an L/C Issuer and the Swing Line Lender, (b) the resigning Administrative Agent shall be discharged from all of its respective duties and obligations as an L/C Issuer and the Swing Line Lender hereunder or under the other Loan Documents,

and (c) the other L/C Issuers shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

10.07 NON RELIANCE ON ADMINISTRATIVE AGENT AND OTHER LENDERS.

Each Lender and each L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 NO OTHER DUTIES, ETC.

Anything herein to the contrary notwithstanding, none of the Syndication Agent, Book Managers or Joint Lead Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender, an L/C Issuer or the Swing Line Lender hereunder.

10.09 ADMINISTRATIVE AGENT MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, any L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(i) and (j), 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the applicable L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

10.10 COLLATERAL AND GUARANTY MATTERS.

The Lenders and the L/C Issuers irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is sold or otherwise transferred or disposed of, or to be sold, transferred or otherwise disposed of, as part of a sale, transfer or other disposition (including, without limitation, pursuant to a merger, consolidation, amalgamation, liquidation, winding up or dissolution) or other transaction permitted hereunder or under any other Loan Document (including, without limitation, to release any Lien on the Equity Interests of the Borrower in connection with a merger of the Borrower and Holdings pursuant to Section 8.04(c)), (iii) on any Collateral Release Date, (iv) on the Collateral Termination Date or (v) subject to Section 11.01, if approved, authorized or ratified in writing by the Required Lenders; and

(b) to release any Guarantor from its obligations under the Guaranty (i) if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder or (ii) following the Guaranty Release Date.

ARTICLE XI
MISCELLANEOUS

11.01 AMENDMENTS, ETC.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 2.06 or Section 9.02) without the written consent of such Lender;

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) without the written consent of each Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or any Unreimbursed Amount, or (subject to clause (iv) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(d) amend Section 1.08 or the definition of "Alternative Currency" without the written consent of each L/C Issuer;

(e) prior to the Guaranty Release Date, release all or substantially all of the Guarantors from its or their obligations under the Loan Documents, or after the Collateral Effective Date and prior to any Collateral Release Date, release all or substantially all of the Collateral, in each case, without the written consent of each Lender directly affected thereby;

(f) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender (it being understood and agreed that notwithstanding this clause (f), with only the consent of the Required Lenders, (i) additional tranches of loans may be added hereunder and included in the determination of the Required Lenders and (ii) this Section 11.01 may be amended to permit class voting in connection with such tranches);

(g) without the consent of Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the Revolving Commitments (or if the Revolving Commitments have been terminated, the outstanding

Revolving Loans and participations (whether funded or not) in any L/C Obligations (and/or participations therein)), no amendment, waiver or consent of Section 5.02(a) or (b) shall be effective; or

(h) without the consent of Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the outstanding Term Loan (and/or participations therein), amend, change, waive, discharge or terminate Section 2.05(d) so as to alter the manner of application of proceeds of any mandatory prepayment required by such Section 2.05(d);

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the applicable L/C Issuer in addition to the Lenders required above, affect the rights or duties of the applicable L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) any Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

11.02 NOTICES; EFFECTIVENESS; ELECTRONIC COMMUNICATION.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent, any L/C Issuer or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. The Lenders and the L/C Issuers agree that the Administrative Agent may deliver notices and other communications to the Lenders and the L/C Issuers hereunder by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications from the Administrative Agent to the Lenders and the L/C Issuers sent to an e mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications

posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS AND/OR INFORMATION MADE AVAILABLE TO THE AGENT PARTIES BY THE BORROWER (THE "BORROWER MATERIALS") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's transmission or the Administrative Agent's transmission of the items delivered by the Borrower to the Administrative Agent pursuant to Section 7.01, Section 7.02 or Section 7.03 or any other materials and/or information delivered at the request of the Borrower through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, any L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) from a Responsible Officer of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 NO WAIVER; CUMULATIVE REMEDIES.

No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall

operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.04 EXPENSES; INDEMNITY; DAMAGE WAIVER.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof

(whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out of pocket expenses incurred by the applicable L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all reasonable out of pocket expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, and (iv) any civil penalty or fine imposed upon the Administrative Agent, any Lender or any L/C Issuer, and all reasonable costs and expenses (including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer) incurred in connection with the defense thereof, as a result of any conduct of the Borrower that violates a sanction enforced by the United States Treasury Department Office of Foreign Assets Control.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent and its Related Parties only, the administration of this Agreement and the other Loan Documents and/or the syndication of the facilities contemplated by this Agreement, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the applicable L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any violation of, noncompliance

with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or any of the properties (all the foregoing, collectively, the "indemnified liabilities"), it being understood that the Borrower shall have an obligation hereunder to any Lender, the L/C Issuer or the Administrative Agent with respect to any indemnified liabilities incurred by the Administrative Agent, any L/C Issuer or any Lender as a result of any Materials of Environmental Concern that are first manufactured, emitted, generated, treated, released, spilled, stored or disposed of on, at or from any property or any violation of any Environmental Law, which in any case first occurs on or with respect to such property (x) after the property is transferred to the Administrative Agent, any L/C Issuer or any Lender or their successors or assigns by foreclosure sale, deed in lieu of foreclosure, or similar transfer or, following such transfer and (y) in connection with, but prior to, the sale, leasing or other transfer of such property by the Administrative Agent, any L/C Issuer, or any Lender or their successors or assigns to one or more third parties; provided, however, that the Borrower shall have no obligation hereunder to the Administrative Agent, any L/C Issuer or any Lender with respect to otherwise indemnified liabilities arising from the gross negligence or willful misconduct of the Administrative Agent, any L/C Issuer or any such Lender, or with respect to otherwise indemnified liabilities following the sale, leasing or other transfer of such property to one or more third parties.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent, any L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent, such L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or any L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent or any L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the

provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems to the extent permitted by this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section 11.04 shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section 11.04 shall survive the resignation of the Administrative Agent and any L/C Issuer, the replacement of any Lender, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 PAYMENTS SET ASIDE.

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and each L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 SUCCESSORS AND ASSIGNS.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, except pursuant to a merger or consolidation permitted by Section 8.04(c), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b),

participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender, the aggregate amount of the Revolving Commitment (which for this purpose includes Revolving Loans outstanding thereunder) or Term Loans or, if the Revolving Commitments are not then in effect, the outstanding principal balance of the Revolving Loans or Term Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 in the case of Revolving Commitments or $1,000,000 in the case of Term Loans unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, that after giving effect to any assignment of Revolving Commitments, so long as no Event of Default has occurred and is continuing, neither the assignor nor the assignee shall have a Revolving Commitment (if it has any Revolving Commitment) of less than $10,000,000 unless the Borrower otherwise consents;

(ii) any assignment of a Term Loan must be approved by the Administrative Agent (such consent not to be unreasonably withheld or delayed) and any assignment of a Revolving Commitment must be approved by the Administrative Agent, all L/C Issuers and the Swing Line Lender (each such consent not to be unreasonably withheld or delayed), in each case, unless the Person that is the proposed assignee is itself a Lender (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee); and

(iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $2,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this

Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by each of the Borrower and the L/C Issuers at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from the Administrative Agent a copy of the Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any

Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.04 or 3.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and

such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America or any other L/C Issuer assigns all of its Commitment and Loans pursuant to subsection (b) above, (i) Bank of America or any such L/C Issuer may, upon 30 days' notice to the Borrower and the Lenders, resign as an L/C Issuer and/or (ii) Bank of America may, upon 30 days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as an L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America or any other L/C Issuer as an L/C Issuer or the resignation of Bank of America as Swing Line Lender, as the case may be. If Bank of America or any other L/C Issuer resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made

by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America or such other L/C Issuer, as the case may be, to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.07 TREATMENT OF CERTAIN INFORMATION; CONFIDENTIALITY.

Each of the Administrative Agent, the Lenders and the L/C Issuers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non public information and (c) it will handle such material non public information in accordance with applicable Law, including Federal and state securities Laws.

11.08 RIGHT OF SETOFF.

Upon any amount becoming due and payable by the Borrower hereunder (whether at stated maturity, by acceleration or otherwise), each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or

for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such

Lender or such L/C Issuer, irrespective of whether or not such Lender or such L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party are owed to a branch or office of such Lender or such L/C Issuer different from the branch or office holding such deposit or obligated on such Indebtedness. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 INTEREST RATE LIMITATION.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 COUNTERPARTS; INTEGRATION; EFFECTIVENESS.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 SURVIVAL OF REPRESENTATIONS AND WARRANTIES.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any

investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 SEVERABILITY.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.13 REPLACEMENT OF LENDERS.

(a) If any Lender requests compensation under Section 3.04, or (b) if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01,

or 3.04(a) or (b), or (c) if any Lender is subject to illegality under Section 3.02, or (d) if any Lender is a Defaulting Lender or (e) if any Lender becomes a Nonconsenting Lender (as hereinafter defined), or (f) the rating of any such Lender is dropped below BBB- or the equivalent by one of the Ratings Agencies, then, in the case of clauses (a) through (e), the Borrower, and in the case of clauses (d) and (f), the Administrative Agent, may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent or the Borrower, as applicable, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Administrative Agent shall have received the assignment fee specified in Section 11.06(b);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Laws; and

(v) in the event of a replacement of a Nonconsenting Lender or a Lender to which the Borrower becomes obligated to pay additional amounts under one of the sections described above, in order for the Borrower to be entitled to replace such a Lender, such replacement must take place no later than 180 days after (i) the date the Nonconsenting Lender shall have notified the Borrower and the Administrative Agent of its failure to agree to any requested consent, waiver or amendment or (ii) the Lender shall have demanded payment of additional amounts under one of the sections described above, as the case may be. In the event that (x) the Borrower or the Administrative Agent has requested the Lenders to consent to a departure or waiver of any provisions of the Loan Documents or to agree to any amendment thereto, (y) the consent, waiver or amendment in question requires the agreement of all Lenders in accordance with the terms of Section 11.01 and (z) the Required Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "Nonconsenting Lender."

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 GOVERNING LAW; JURISDICTION; ETC.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 USA PATRIOT ACT NOTICE.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act.

11.17 RELEASE OF GUARANTORS.

If on any date subsequent to the Closing Date, (a) all of the Subordinated Debt is rated Baa3 or better by Moody's and BBB- or better by S&P (or if either such entity ceases to rate the

Subordinated Debt for reasons outside of the control of the Borrower, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Borrower as a replacement agency) and (b) no Default or Event of Default shall have occurred and be continuing before and after giving effect thereto, (i) the Guaranty of each Subsidiary hereunder will be released at the time of the release of the Guarantees under all of the documentation governing the Subordinated Debt; provided that in the event that any such Subsidiary thereafter Guarantees any of the Subordinated Debt (or if any released Guarantee under any of the documentation governing the Subordinated Debt is reinstated or renewed), then such Subsidiary will Guarantee the Obligations on the terms and conditions set forth in Article IV pursuant to the documentation and within the time period required by Section 7.09 and (ii) no Subsidiary thereafter acquired or created will be required to provide a Guaranty hereunder unless such Subsidiary Guarantees any of the Subordinated Debt.

Notwithstanding the foregoing, if the ratings assigned to any of the Subordinated Debt by any such rating agency should subsequently decline to below Baa3 or BBB-, respectively, then the Subsidiaries will Guarantee the Obligations on the terms and conditions set forth in Article IV pursuant to the documentation and within the time period required by Section 7.09.

The Guaranty of Holdings will be released at such time as Holdings is merged with and into the Borrower in accordance with the terms of Section 8.04(d).

11.18 WAIVER OF NOTICE OF TERMINATION.

Those Lenders party hereto which are also party to the Existing Credit

Agreement hereby waive any prior notice requirement under the Existing Credit Agreement with respect to the termination of commitments thereunder and the making of any prepayments thereunder.

11.19 ENTIRE AGREEMENT.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

11.20 EXISTING CREDIT AGREEMENT SUPERSEDED.

As set forth in Section 1.09, the Existing Credit Agreement is superseded by this Agreement, which has been executed in renewal, amendment, restatement and modification, but not in novation or extinguishment of, the obligations under the Existing Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

L-3 COMMUNICATIONS CORPORATION,
a Delaware corporation

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President, Secretary
and General Counsel

GUARANTORS:

L-3 COMMUNICATIONS HOLDINGS, INC.,
a Delaware corporation

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President, Secretary
and General Counsel

APCOM, INC.,
a Maryland corporation
BROADCAST SPORTS INC.,
a Delaware corporation
D.P. ASSOCIATES INC.,
a Virginia corporation
ELECTRODYNAMICS, INC.,
an Arizona corporation
HENSCHEL INC.,
a Delaware corporation
HYGIENETICS ENVIRONMENTAL SERVICES, INC.,
a Delaware corporation
INTERSTATE ELECTRONICS CORPORATION,
a California corporation
KDI PRECISION PRODUCTS, INC.,
a Delaware corporation

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS ADVANCED LASER
SYSTEMS TECHNOLOGY, INC.,
a Florida corporation
L-3 COMMUNICATIONS AEROMET, INC.,
an Oregon corporation
L-3 COMMUNICATIONS AIS GP CORPORATION,

a Delaware corporation
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.,
a Delaware corporation
L-3 COMMUNICATIONS AVISYS CORPORATION,
a Texas corporation
L-3 COMMUNICATIONS AYDIN CORPORATION,
a Delaware corporation
L-3 COMMUNICATIONS CE HOLDINGS, INC.,
a Delaware corporation
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION,
an Ohio corporation
L-3 COMMUNICATIONS CSI, INC.,
a California corporation
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.,
a Delaware corporation
L-3 COMMUNICATIONS ESSCO, INC.,
a Delaware corporation
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.,
a Virginia corporation
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.,
a Delaware corporation
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION,
a California corporation
L-3 COMMUNICATIONS INVESTMENTS INC.,
a Delaware corporation
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.,
a Delaware corporation
L-3 COMMUNICATIONS MAS (US) CORPORATION,
a Delaware corporation

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS MOBILE-VISION, INC.,
a New Jersey corporation
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.,
a Delaware corporation
L-3 COMMUNICATIONS SONOMA EO, INC.,
a California corporation
L-3 COMMUNICATIONS TITAN CORPORATION,
a Delaware corporation
L-3 COMMUNICATIONS WESTWOOD CORPORATION,
a Nevada corporation
LINCOM WIRELESS, INC.,
a Delaware corporation
MCTI ACQUISITION CORPORATION,
a Maryland corporation
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED,
a Maryland corporation
MICRODYNE CORPORATION,
a Maryland corporation
MICRODYNE OUTSOURCING INCORPORATED,
a Maryland corporation
MPRI, INC.,
a Delaware corporation
PAC ORD, INC.,
a Delaware corporation
POWER PARAGON, INC.,
a Delaware corporation
PROCOM SERVICES, INC.,
a California corporation
SHELLCO, INC.,
a Delaware corporation
SHIP ANALYTICS, INC.,
a Connecticut corporation
SHIP ANALYTICS INTERNATIONAL, INC.,
a Delaware corporation
SHIP ANALYTICS USA, INC.,
a Connecticut corporation
SPD ELECTRICAL SYSTEMS, INC.,

a Delaware corporation

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

SPD SWITCHGEAR INC.,
a Delaware corporation
SYCOLEMAN CORPORATION,
a Florida corporation
TITAN FACILITIES, INC.,
a Virginia corporation
TITAN SCAN TECHNOLOGIES CORPORATION,
a Delaware corporation
TROLL TECHNOLOGY CORPORATION,
a California corporation
WESCAM AIR OPS INC.,
a Delaware corporation
WESCAM INCORPORATED,
a Florida corporation
WESCAM HOLDINGS (US) INC.,
a Delaware corporation
WOLF COACH INC.,
a Massachusetts corporation

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS INTEGRATED SYSTEMS
L.P.,
a Delaware limited partnership

By: L-3 COMMUNICATIONS AIS GP
CORPORATION, as General Partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS VERTEX AEROSPACE LLC,
a Delaware limited liability company

By: L-3 COMMUNICATIONS INTEGRATED
SYSTEMS, L.P., as Sole Member

By: L-3 COMMUNICATIONS AIS GP
CORPORATION, as General Partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS FLIGHT CAPITAL LLC,
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL
AVIATION LLC,
L-3 COMMUNICATIONS VECTOR INTERNATIONAL
AVIATION LLC,
each a Delaware limited liability company

By: L-3 COMMUNICATIONS VERTEX
AEROSPACE LLC, as Sole Member

By: L-3 COMMUNICATIONS INTEGRATED
SYSTEMS L.P., as Sole Member

By: L-3 COMMUNICATIONS AIS GP
CORPORATION, as General Partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

WESCAM AIR OPS LLC,
a Delaware limited liability company

By: WESCAM INCORPORATED, as Sole Member

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

WESCAM LLC,
a Delaware limited liability company

By: L-3 COMMUNICATIONS CORPORATION,
as Sole Member

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

INTERNATIONAL SYSTEMS, LLC,
a Delaware limited liability company

By: L-3 COMMUNICATIONS TITAN
CORPORATION, as Sole Member

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

BANK OF AMERICA, N.A.
as Administrative Agent

By: /s/ Kenneth J. Beck

Name: Kenneth J. Beck
Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender,
an L/C Issuer and Swing Line Lender

By: /s/ Kenneth J. Beck

Name: Kenneth J. Beck
Title: Senior Vice President

BARCLAYS BANK PLC,
as a Lender

By: /s/ David Barton

Name: David Barton
Title: Associate Director

BEAR STEARNS CORPORATE LENDING INC.,
as a Lender

By: /s/ Richard Bram Smith

Name: Richard Bram Smith
Title: Vice President

CALYON NEW YORK BRANCH,
as a Lender

By: /s/ Yuri Muzichenko

Name: Yuri Muzichenko
Title: Vice President

By: /s/ Philip Schubert

Name: Philip Schubert
Title: Director

SOCIETE GENERALE,
as a Lender

By: /s/ R.D. Boyd Harman

Name: R.D. Boyd Harman
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Donald F. Carrmichael

Name: Donald F. Carrmichael
Title: Vice President

THE GOVERNOR AND COMPANY OF THE BANK OF
IRELAND,
as a Lender

By: /s/ Olivia Barriere

Name: Olivia Barriere
Title: Authorised Signatory

By: /s/ Deirdre Reddan

Name: Deirdre Reddan
Title: Authorised Signatory

COMERICA BANK,
as a Lender

By: /s/ Sarah R. West

Name: Sarah R. West
Title: Account Officer

WESTLB AG, NEW YORK BRANCH,
as a Lender

By: /s/ Rolf Schmitz

Name: Rolf Schmitz
Title: Director

By: /s/ Walter T. Duffy III

Name: Walter T. Duffy III
Title: Senior Vice President

LEHMAN COMMERCIAL PAPER INC.,
as a Lender

By: /s/ V. Paul Arzoulan

Name: V. Paul Arzoulan
Title: Authorised Signatory

CREDIT SUISSE, Cayman Islands Branch,
as a Lender

By: /s/ Ian Nalitt

Name: Ian Nalitt
Title: Vice President

By: /s/ Denise L. Alvarez

Name: Denise L. Alvarez
Title: Associate

BANK OF TOKYO-MITSUBISHI TRUST COMPANY,
as a Lender

By: /s/ Eric Planey

Name: Eric Planey
Title: Vice President

MORGAN STANLEY BANK,
as a Lender

By: /s/ Daniel Twenge

Name: Daniel Twenge
Title: Vice President
Morgan Stanley Bank

AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED, as a Lender

By: /s/ John W. Wade

Name: John W. Wade
Title: Director

THE BANK OF NEW YORK,
as a Lender

By: /s/ Kenneth P. Sneider, Jr.

Name: Kenneth P. Sneider, Jr.
Title: Vice President

CREDIT INDUSTRIEL ET COMMERCIAL,
as a Lender

By: /s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By: /s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Robert G. McGill, Jr.

Name: Robert G. McGill, Jr.
Title: Director

HSBC BANK USA, N.A.,
as a Lender

By: /s/ Bruce Wicks

Name: Bruce Wicks
Title: First Vice President

SCOTIABANC INC.,
as a Lender

By: /s/ Nadine Bell

Name: Nadine Bell
Title: Senior Manager

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ T.S. (Todd) Meller

Name: T.S. (Todd) Meller
Title: Managing Director

SUNTRUST BANK,
as a Lender

By: /s/ Katherine L. Bass

Name: Katherine L. Bass
Title: Vice President

SUMITOMO MITSUI BANKING CORPORATION,
as a Lender

By: /s/ William M. Ginn

Name: William M. Ginn
Title: General Manager and Head
Corporate Banking

MIZUHO CORPORATE BANK, LTD,
as a Lender

By: /s/ Bertram Tang

Name: Bertram Tang
Title: Senior Vice President & Team Leader

FORTIS BANK S.A./N.V., CAYMAN ISLANDS BRANCH,
as a Lender

By: /s/ Jacques Thys

Name: Jacques Thys
Title: Chairman and County Manager

By: /s/ Diran Cholaldan

Name: Diran Cholaldan
Title: Vice President

EXHIBIT 10.55

SUPPLEMENTAL INDENTURE TO BE DELIVERED
BY GUARANTEEING SUBSIDIARIES

Supplemental Indenture (this "Supplemental Indenture"), dated as of July 29, 2005, among L-3 Communications Corporation (or its permitted successor), a Delaware corporation (the "Company"), each a direct or indirect subsidiary of the Company signatory hereto (each, a "Guaranteeing Subsidiary", and collectively, the "Guaranteeing Subsidiaries"), and The Bank of New York, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of May 21, 2003 providing for the issuance of an unlimited amount of 6 1/8% Senior Subordinated Notes due 2013 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations (as defined in the Indenture) under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Such Guaranteeing Subsidiary, jointly and severally with all other current and future guarantors of the Notes (collectively, the "Guarantors" and each, a "Guarantor"), unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, regardless of the validity and enforceability of the Indenture, the Notes or the Obligations of the Company under the Indenture or the Notes, that:

(i) the principal of, premium, interest and Additional Amounts, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Additional Amounts, if any, on the

Notes, to the extent lawful, and all other Obligations of the Company to the Holders or the Trustee thereunder or under the Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(ii) in case of any extension of time for payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

(b) Notwithstanding the foregoing, in the event that this Subsidiary Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guaranteeing Subsidiary under this Supplemental Indenture and its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or

similar law.

3. EXECUTION AND DELIVERY OF SUBSIDIARY GUARANTEES.

(a) To evidence its Subsidiary Guarantee set forth in this Supplemental Indenture, such Guaranteeing Subsidiary hereby agrees that a notation of such Subsidiary Guarantee substantially in the form of Exhibit F to the Indenture shall be endorsed by an officer of such Guaranteeing Subsidiary on each Note authenticated and delivered by the Trustee after the date hereof.

(b) Notwithstanding the foregoing, such Guaranteeing Subsidiary hereby agrees that its Subsidiary Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

(c) If an Officer whose signature is on this Supplemental Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee shall be valid nevertheless.

(d) The delivery of any Note by the Trustee, after the authentication thereof under the Indenture, shall constitute due delivery of the Subsidiary Guarantee set forth in this Supplemental Indenture on behalf of each Guaranteeing Subsidiary.

(e) Each Guaranteeing Subsidiary hereby agrees that its Obligations hereunder shall be unconditional, regardless of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent

by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(f) Each Guaranteeing Subsidiary hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that its Subsidiary Guarantee made pursuant to this Supplemental Indenture will not be discharged except by complete performance of the Obligations contained in the Notes and the Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Company or any Guaranteeing Subsidiary, or any custodian, Trustee, liquidator or other similar official acting in relation to either the Company or such Guaranteeing Subsidiary, any amount paid by either to the Trustee or such Holder, the Subsidiary Guarantee made pursuant to this Supplemental Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) Each Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations guaranteed hereby. Each Guaranteeing Subsidiary further agrees that, as between such Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of the Subsidiary Guarantee made pursuant to this Supplemental Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and

(ii) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

(i) Each Guaranteeing Subsidiary shall have the right to seek contribution from any other non-paying Guaranteeing Subsidiary so long as the exercise of such right does not impair the rights of

the Holders or the Trustee under the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) Except as set forth in Articles 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into the Company or any other Guarantor or shall prevent any transfer, sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company or any other Guarantor.

(b) Except as set forth in Article 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into a corporation or corporations other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that each Guaranteeing Subsidiary hereby covenants and agrees that (i) subject to the Indenture, upon any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiaries, shall be expressly assumed (in the event that such Guaranteeing Subsidiary is not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which such Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists.

(c) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee

made pursuant to this Supplemental Indenture and the due and punctual performance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for such Guaranteeing Subsidiary with the same effect as if it had been named herein as the Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon the Notes issuable under the Indenture which theretofore shall

not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture and this Supplemental Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture and this Supplemental Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

5. RELEASES.

(a) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of a Guaranteeing Subsidiary), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. If the assets sold in such sale or other disposition include all or substantially all of the assets of a Guaranteeing Subsidiary or all of the Capital Stock of a Guaranteeing Subsidiary, then the Guaranteeing Subsidiary (in the event of a sale or other disposition of all of the Capital Stock of such Guaranteeing Subsidiary) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guaranteeing Subsidiary) shall be released from and relieved of its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guaranteeing Subsidiary, as the case may be, in accordance with the provisions of the Indenture and this Supplemental Indenture, including without limitation, Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guaranteeing Subsidiary from its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto. If the

Guaranteeing Subsidiary is not released from its obligations under its Subsidiary Guarantee, it shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of such Guaranteeing Subsidiary under the Indenture as provided in this Supplemental Indenture.

(b) Upon the designation of a Guaranteeing Subsidiary as an Unrestricted Subsidiary in accordance with the terms of the Indenture, such Guaranteeing Subsidiary shall be released and relieved of its Obligations under its Subsidiary Guarantee and this Supplemental Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.07 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its Obligations under its Subsidiary Guarantee. Any Guaranteeing Subsidiary not released from its Obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other Obligations of any Guaranteeing Subsidiary under the Indenture as provided herein.

(c) Each Guaranteeing Subsidiary shall be released and relieved of its obligations under this Supplemental Indenture in accordance with, and subject to, Section 4.18 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of any Guaranteeing Subsidiary, as such, shall have any liability for any Obligations of the Company

or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such Obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. SUBORDINATION OF SUBSIDIARY GUARANTEES; ANTI-LAYERING. No Guaranteeing Subsidiary shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of a Guaranteeing Subsidiary and senior in any respect in right of payment to any of the Subsidiary Guarantees. Notwithstanding the foregoing sentence, the Subsidiary Guarantee of each Guaranteeing Subsidiary shall be subordinated to the prior payment in full of all Senior Debt of that Guaranteeing Subsidiary (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt.

8. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

11. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated: July 29, 2005 L-3 COMMUNICATIONS CORPORATION

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005

APCOM, INC., a Maryland corporation
BROADCAST SPORTS INC., a Delaware corporation
D.P. ASSOCIATES INC., a Virginia corporation
ELECTRODYNAMICS, INC., an Arizona corporation
HENSCHEL INC., a Delaware corporation
HYGIENETICS ENVIRONMENTAL SERVICES, INC., a Delaware corporation
INTERNATIONAL SYSTEMS, LLC, a California corporation
INTERSTATE ELECTRONICS CORPORATION, a California corporation
KDI PRECISION PRODUCTS, INC., a Delaware corporation
L-3 COMMUNICATIONS AEROMET, INC., an Oregon corporation
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC, a Delaware limited liability company
L-3 COMMUNICATIONS AIS GP CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC., a Florida corporation
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS AVISYS CORPORATION, a Texas corporation

L-3 COMMUNICATIONS CSI, INC., a California corporation
L-3 COMMUNICATIONS AYDIN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS CE HOLDINGS, INC., a Delaware corporation
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION, an Ohio corporation
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC., a Delaware corporation
L-3 COMMUNICATIONS ESSCO, INC., a Delaware corporation
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC, a Delaware limited liability company
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC., a Virginia corporation
L-3 COMMUNICATIONS ILEX SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION, a California corporation
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., a Delaware limited partnership
L-3 COMMUNICATIONS INVESTMENTS INC., a Delaware corporation

L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC., a Delaware corporation
L-3 COMMUNICATIONS MAS (US) CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS MOBILE-VISION, INC., a New Jersey corporation
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS SONOMA EO, INC., a California corporation
L-3 COMMUNICATIONS TITAN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS WESTWOOD CORPORATION, a Nevada corporation
LINCOM WIRELESS, INC., a Delaware corporation
MCTI ACQUISITION CORPORATION, a Maryland corporation
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED, a Maryland corporation
MICRODYNE CORPORATION, a Maryland corporation
MICRODYNE OUTSOURCING INCORPORATED, a Maryland corporation
MPRI, INC., a Delaware corporation
PAC ORD INC., a Delaware corporation
POWER PARAGON, INC., a Delaware corporation
PROCOM SERVICES, INC., a California corporation
SHELLCO, INC., a Delaware corporation
SHIP ANALYTICS, INC., a Connecticut corporation
SHIP ANALYTICS INTERNATIONAL, INC., a Delaware corporation
SHIP ANALYTICS USA, INC., a Connecticut corporation
SPD ELECTRICAL SYSTEMS, INC., a Delaware corporation
SPD SWITCHGEAR INC., a Delaware corporation
SYCOLEMAN CORPORATION, a Florida corporation
TITAN FACILITIES, INC., a Virginia corporation
TITAN SCAN TECHNOLOGIES CORPORATION, a Delaware corporation,
TROLL TECHNOLOGY CORPORATION, a California corporation
WESCAM AIR OPS INC., a Delaware corporation
WESCAM AIR OPS LLC, a Delaware limited liability company
WESCAM HOLDINGS (US) INC., a Delaware corporation
WESCAM INCORPORATED, a Florida corporation

WESCAM LLC, a Delaware limited liability company
WOLF COACH, INC., a Massachusetts corporation

As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005

THE BANK OF NEW YORK,
as Trustee

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

NOTATION ON SENIOR SUBORDINATED NOTE RELATING TO SUBSIDIARY GUARANTEE

Pursuant to the Supplemental Indenture (the "Supplemental Indenture") dated as of July 29, 2005 among L-3 Communications Corporation, the Guarantors party thereto (each a "Guarantor" and collectively the "Guarantors") and The Bank of New York, as trustee (the "Trustee"), each Guarantor (i) has jointly and severally unconditionally guaranteed (a) the due and punctual payment of the principal of, and premium, interest and Additional Amounts on the Notes, whether at maturity or an interest payment date, by acceleration, call for redemption or otherwise, (b) the due and punctual payment of interest on the overdue principal and premium of, and interest and Additional Amounts on the Notes, and (c) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise and (ii) has agreed to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under the Subsidiary Guarantee (as defined in the Supplemental Indenture).

Notwithstanding the foregoing, the Subsidiary Guarantee of each Guarantor shall be subordinated to the prior payment in full of all Senior Debt (as defined in the Indenture) of that Guarantor (in the same manner and to the same extent that the Notes are subordinated to the Senior Debt), which shall include all guarantees of Senior Debt.

Notwithstanding the foregoing, in the event that the Subsidiary Guarantee of any Guarantor would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guarantor under its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

No past, present or future director, officer, employee, agent, incorporator, stockholder or agent of any Guarantor, as such, shall have any liability for any Obligations of the Company or any Guarantor under the Notes, any Subsidiary Guarantee, the Indenture, any supplemental indenture delivered pursuant to the Indenture by such Guarantor, or for any claim based on, in respect of or by reason of such Obligations or their creation. Each Holder by accepting a Note waives and releases all such liability.

The Subsidiary Guarantee shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

The Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which the Subsidiary Guarantee is noted has been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. Capitalized terms used herein have the meaning assigned to them in the Indenture, dated as of May 21, 2003, among L-3 Communications Corporation, the Guarantors party thereto and the Trustee.

Dated: July 29, 2005

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERNATIONAL SYSTEMS, LLC
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.,
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS TITAN CORPORATION
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
LINCOM WIRELESS, INC.
MCTI ACQUISITION CORPORATION

MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
PROCOM SERVICES, INC.
SHELLCO, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TITAN FACILITIES, INC.
TITAN SCAN TECHNOLOGIES CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.

As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

EXHIBIT 10.63

SUPPLEMENTAL INDENTURE TO BE DELIVERED
BY GUARANTEEING SUBSIDIARIES

Supplemental Indenture (this "Supplemental Indenture"), dated as of July 29, 2005, among L-3 Communications Corporation (or its permitted successor), a Delaware corporation (the "Company"), each subsidiary of the Company signatory hereto (each, a "Guaranteeing Subsidiary", and collectively, the "Guaranteeing Subsidiaries"), and The Bank of New York, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of June 28, 2002 providing for the issuance of an aggregate principal amount of up to $750,000,000 of 7 5/8% Senior Subordinated Notes due 2012 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Such Guaranteeing Subsidiary, jointly and severally with all other current and future guarantors of the Notes (collectively, the "Guarantors" and each, a "Guarantor"), unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, regardless of the validity and enforceability of the Indenture, the Notes or the Obligations of the Company under the Indenture or the Notes, that:

(i) the principal of, premium, interest and Additional Amounts, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Additional Amounts, if any, on the Notes, to the extent lawful, and all other Obligations of the Company to the Holders or the Trustee thereunder or under the Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(ii) in case of any extension of time for payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

(b) Notwithstanding the foregoing, in the event that this Subsidiary Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guaranteeing Subsidiary under this Supplemental Indenture and its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

3. EXECUTION AND DELIVERY OF SUBSIDIARY GUARANTEES.

(a) To evidence its Subsidiary Guarantee set forth in this Supplemental Indenture, such Guaranteeing Subsidiary hereby agrees that a notation of such Subsidiary Guarantee substantially in the form of Exhibit F to the Indenture shall be endorsed by an officer of such Guaranteeing Subsidiary on each Note authenticated and delivered by the Trustee after the date hereof.

(b) Notwithstanding the foregoing, such Guaranteeing Subsidiary hereby agrees that its Subsidiary Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

(c) If an Officer whose signature is on this Supplemental Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee shall be valid nevertheless.

(d) The delivery of any Note by the Trustee, after the authentication thereof under the Indenture, shall constitute due delivery of the

Subsidiary Guarantee set forth in this Supplemental Indenture on behalf of each Guaranteeing Subsidiary.

(e) Each Guaranteeing Subsidiary hereby agrees that its obligations hereunder shall be unconditional, regardless of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(f) Each Guaranteeing Subsidiary hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that its Subsidiary Guarantee made pursuant to this Supplemental Indenture will not be discharged except by complete performance of the Obligations contained in the Notes and the Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Company or any Guaranteeing Subsidiary, or any custodian, Trustee, liquidator or other similar official acting in relation to either the Company or such Guaranteeing Subsidiary, any amount paid by either to the Trustee or such Holder, the Subsidiary Guarantee made pursuant to this Supplemental Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) Each Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations guaranteed hereby. Each Guaranteeing Subsidiary further agrees that, as between such Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of the Subsidiary Guarantee made pursuant to this Supplemental Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby; and

(ii) in the event of any declaration of acceleration of such

obligations as provided in Article 6 of the Indenture, such

obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

(i) Each Guaranteeing Subsidiary shall have the right to seek contribution from any other non-paying Guaranteeing Subsidiary so long as the exercise of such right does not impair the rights of the Holders or the Trustee under the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) Except as set forth in Articles 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into the Company or any other Guarantor or shall prevent any transfer, sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company or any other Guarantor.

(b) Except as set forth in Article 4 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into a corporation or corporations other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that each Guaranteeing Subsidiary hereby covenants and agrees that (i) subject to the Indenture, upon any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiaries, shall be expressly assumed (in the event that such Guaranteeing Subsidiary is not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into

which such Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists.

(c) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee made pursuant to this Supplemental Indenture and the due and punctual performance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for such Guaranteeing Subsidiary with the same effect as if it had been named herein as the Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon the Notes

issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture and this Supplemental Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture and this Supplemental Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

5. RELEASES.

(a) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of a Guaranteeing Subsidiary), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. If the assets sold in such sale or other disposition include all or substantially all of the assets of a Guaranteeing Subsidiary or all of the Capital Stock of a Guaranteeing Subsidiary, then the Guaranteeing Subsidiary (in the event of a sale or other disposition of all of the Capital Stock of such Guaranteeing Subsidiary) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guaranteeing Subsidiary) shall be released from and relieved of its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the

provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guaranteeing Subsidiary, as the case may be, in accordance with the provisions of the Indenture and this Supplemental Indenture, including without limitation, Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guaranteeing Subsidiary from its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto. If the Guaranteeing Subsidiary is not released from its obligations under its Subsidiary Guarantee, it shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of such Guaranteeing Subsidiary under the Indenture as provided in this Supplemental Indenture.

(b) Upon the designation of a Guaranteeing Subsidiary as an Unrestricted Subsidiary in accordance with the terms of the Indenture, such Guaranteeing Subsidiary shall be released and relieved of its obligations under its Subsidiary Guarantee and this Supplemental Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.07 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its obligations under its Subsidiary Guarantee. Any Guaranteeing Subsidiary not released from its Obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other Obligations of any Guaranteeing Subsidiary under the Indenture as provided herein.

(c) Each Guaranteeing Subsidiary shall be released and relieved of its obligations under this Supplemental Indenture in accordance with, and subject to, Section 4.18 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of any Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company

or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not

be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. SUBORDINATION OF SUBSIDIARY GUARANTEES; ANTI-LAYERING. No Guaranteeing Subsidiary shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of a Guaranteeing Subsidiary and senior in any respect in right of payment to any of the Subsidiary Guarantees. Notwithstanding the foregoing sentence, the Subsidiary Guarantee of each Guaranteeing Subsidiary shall be subordinated to the prior payment in full of all Senior Debt of that Guaranteeing Subsidiary (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt.

8. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

11. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated: July 29, 2005 L-3 COMMUNICATIONS CORPORATION

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005 APCOM, INC., a Maryland corporation
BROADCAST SPORTS INC., a Delaware corporation
D.P. ASSOCIATES INC., a Virginia corporation
ELECTRODYNAMICS, INC., an Arizona corporation
HENSCHEL INC., a Delaware corporation
HYGIENETICS ENVIRONMENTAL SERVICES, INC., a Delaware corporation
INTERNATIONAL SYSTEMS, LLC, a California corporation
INTERSTATE ELECTRONICS CORPORATION, a California corporation
KDI PRECISION PRODUCTS, INC., a Delaware corporation
L-3 COMMUNICATIONS AEROMET, INC., an Oregon corporation
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC, a Delaware limited liability company
L-3 COMMUNICATIONS AIS GP CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC., a Florida corporation
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC., a Delaware corporation

L-3 COMMUNICATIONS AVISYS CORPORATION, a Texas corporation
L-3 COMMUNICATIONS CSI, INC., a California corporation
L-3 COMMUNICATIONS AYDIN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS CE HOLDINGS, INC., a Delaware corporation
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION, an Ohio corporation
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC., a Delaware corporation
L-3 COMMUNICATIONS ESSCO, INC., a Delaware corporation
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC, a Delaware limited liability company
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC., a Virginia corporation
L-3 COMMUNICATIONS ILEX SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION, a California corporation
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., a Delaware limited partnership
L-3 COMMUNICATIONS INVESTMENTS INC., a Delaware corporation

L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC., a Delaware corporation
L-3 COMMUNICATIONS MAS (US) CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS MOBILE-VISION, INC., a New Jersey corporation
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS SONOMA EO, INC., a California corporation
L-3 COMMUNICATIONS TITAN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS WESTWOOD CORPORATION, a Nevada corporation
LINCOM WIRELESS, INC., a Delaware corporation
MCTI ACQUISITION CORPORATION, a Maryland corporation
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED, a Maryland corporation
MICRODYNE CORPORATION, a Maryland corporation
MICRODYNE OUTSOURCING INCORPORATED, a Maryland corporation
MPRI, INC., a Delaware corporation
PAC ORD INC., a Delaware corporation
POWER PARAGON, INC., a Delaware corporation
PROCOM SERVICES, INC., a California corporation
SHELLCO, INC., a Delaware corporation
SHIP ANALYTICS, INC., a Connecticut corporation
SHIP ANALYTICS INTERNATIONAL, INC., a Delaware corporation
SHIP ANALYTICS USA, INC., a Connecticut corporation
SPD ELECTRICAL SYSTEMS, INC., a Delaware corporation
SPD SWITCHGEAR INC., a Delaware corporation
SYCOLEMAN CORPORATION, a Florida corporation
TITAN FACILITIES, INC., a Virginia corporation
TITAN SCAN TECHNOLOGIES CORPORATION, a Delaware corporation,
TROLL TECHNOLOGY CORPORATION, a California corporation
WESCAM AIR OPS INC., a Delaware corporation
WESCAM AIR OPS LLC, a Delaware limited liability company
WESCAM HOLDINGS (US) INC., a Delaware

corporation
WESCAM INCORPORATED, a Florida corporation
WESCAM LLC, a Delaware limited liability company

WOLF COACH, INC., a Massachusetts corporation
As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005

THE BANK OF NEW YORK,
as Trustee

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

NOTATION ON SENIOR SUBORDINATED NOTE RELATING TO SUBSIDIARY GUARANTEE

Pursuant to the Supplemental Indenture (the "Supplemental Indenture") dated as of July 29, 2005 among L-3 Communications Corporation, a Delaware corporation, the Guarantors party thereto (each a "Guarantor" and collectively the "Guarantors") and The Bank of New York, as trustee (the "Trustee"), each Guarantor (i) has jointly and severally unconditionally guaranteed (a) the due and punctual payment of the principal of, and premium, interest and Additional Amounts on the Notes, whether at maturity or an interest payment date, by acceleration, call for redemption or otherwise, (b) the due and punctual payment of interest on the overdue principal and premium of, and interest and Additional Amounts on the Notes, and (c) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise and (ii) has agreed to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under the Subsidiary Guarantee (as defined in the Supplemental Indenture).

Notwithstanding the foregoing, in the event that the Subsidiary Guarantee of any Guarantor would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guarantor under its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

No past, present or future director, officer, employee, agent, incorporator, stockholder or agent of any Guarantor, as such, shall have any liability for any Obligations of the Company or any Guarantor under the Notes, any Subsidiary Guarantee, the Indenture, any supplemental indenture delivered pursuant to the Indenture by such Guarantor, or for any claim based on, in respect of or by reason of such Obligations or their creation. Each Holder by accepting a Note waives and releases all such liability.

The Subsidiary Guarantee shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

The Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which the Subsidiary Guarantee is noted has been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. Capitalized terms used herein have the meaning assigned to them in the Indenture, dated as of June 28, 2002, among L-3 Communications Corporation, the Guarantors party thereto and the Trustee.

Dated: July 29, 2005

APCOM, INC.

BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERNATIONAL SYSTEMS, LLC
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.,
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS TITAN CORPORATION
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
LINCOM WIRELESS, INC.
MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION

MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
PROCOM SERVICES, INC.
SHELLCO, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TITAN FACILITIES, INC.
TITAN SCAN TECHNOLOGIES CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.

As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

EXHIBIT 10.65

SUPPLEMENTAL INDENTURE TO BE DELIVERED
BY GUARANTEEING SUBSIDIARIES

Supplemental Indenture (this "Supplemental Indenture"), dated as of July 29, 2005, among L-3 Communications Corporation (or its permitted successor), a Delaware corporation (the "Company"), each a direct or indirect subsidiary of the Company signatory hereto (each, a "Guaranteeing Subsidiary", and collectively, the "Guaranteeing Subsidiaries"), and The Bank of New York, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of December 22, 2003 providing for the issuance of an unlimited amount of 6 1/8% Senior Subordinated Notes due 2014 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations (as defined in the Indenture) under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Such Guaranteeing Subsidiary, jointly and severally with all other current and future guarantors of the Notes (collectively, the "Guarantors" and each, a "Guarantor"), unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, regardless of the validity and enforceability of the Indenture, the Notes or the Obligations of the Company under the Indenture or the Notes, that:

(i) the principal of, premium, interest and Additional Interest, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Additional Amounts, if any, on the

Notes, to the extent lawful, and all other Obligations of the Company to the Holders or the Trustee thereunder or under the Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(ii) in case of any extension of time for payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

(b) Notwithstanding the foregoing, in the event that this Subsidiary Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guaranteeing Subsidiary under this Supplemental Indenture and its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or

similar law.

3. EXECUTION AND DELIVERY OF SUBSIDIARY GUARANTEES.

(a) To evidence its Subsidiary Guarantee set forth in this Supplemental Indenture, such Guaranteeing Subsidiary hereby agrees that a notation of such Subsidiary Guarantee substantially in the form of Exhibit F to the Indenture shall be endorsed by an officer of such Guaranteeing Subsidiary on each Note authenticated and delivered by the Trustee after the date hereof.

(b) Notwithstanding the foregoing, such Guaranteeing Subsidiary hereby agrees that its Subsidiary Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

(c) If an Officer whose signature is on this Supplemental Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee shall be valid nevertheless.

(d) The delivery of any Note by the Trustee, after the authentication thereof under the Indenture, shall constitute due delivery of the Subsidiary Guarantee set forth in this Supplemental Indenture on behalf of each Guaranteeing Subsidiary.

(e) Each Guaranteeing Subsidiary hereby agrees that its Obligations hereunder shall be unconditional, regardless of the validity, regularity or enforceability of the Notes or the Indenture, the

absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(f) Each Guaranteeing Subsidiary hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that its Subsidiary Guarantee made pursuant to this Supplemental Indenture will not be discharged except by complete performance of the Obligations contained in the Notes and the Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Company or any Guaranteeing Subsidiary, or any custodian, Trustee, liquidator or other similar official acting in relation to either the Company or such Guaranteeing Subsidiary, any amount paid by either to the Trustee or such Holder, the Subsidiary Guarantee made pursuant to this Supplemental Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) Each Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations guaranteed hereby. Each Guaranteeing Subsidiary further agrees that, as between such Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of the Subsidiary Guarantee

made pursuant to this Supplemental Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and

(ii) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

(i) Each Guaranteeing Subsidiary shall have the right to seek contribution from any other non-paying Guaranteeing Subsidiary so long as the exercise of such right does not impair the rights of the Holders or the Trustee under the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) Except as set forth in Articles 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into the Company or any other Guarantor or shall prevent any transfer, sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company or any other Guarantor.

(b) Except as set forth in Article 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into a corporation or corporations other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that each Guaranteeing Subsidiary hereby covenants and agrees that (i) subject to the Indenture, upon

any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiaries, shall be expressly assumed (in the event that such Guaranteeing Subsidiary is not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which such Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists.

(c) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee made pursuant to this Supplemental Indenture and the due and punctual performance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for such Guaranteeing Subsidiary with the same effect as if it had been named herein as the Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon the Notes issuable under the Indenture which theretofore shall not

have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture and this Supplemental Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture and this Supplemental Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

5. RELEASES.

(a) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of a Guaranteeing Subsidiary), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. If the assets sold in such sale or other disposition include all or substantially all of the assets of a Guaranteeing Subsidiary or all of the Capital Stock of a Guaranteeing Subsidiary, then the Guaranteeing Subsidiary (in the

event of a sale or other disposition of all of the Capital Stock of such Guaranteeing Subsidiary) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guaranteeing Subsidiary) shall be released from and relieved of its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guaranteeing Subsidiary, as the case may be, in accordance with the provisions of the Indenture and this Supplemental Indenture, including without limitation, Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guaranteeing Subsidiary from its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto. If the Guaranteeing Subsidiary is not released from its obligations under its Subsidiary Guarantee, it shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of such Guaranteeing Subsidiary under the Indenture as provided in this Supplemental Indenture.

(b) Upon the designation of a Guaranteeing Subsidiary as an Unrestricted Subsidiary in accordance with the terms of the Indenture, such Guaranteeing Subsidiary shall be released and relieved of its Obligations under its Subsidiary Guarantee and this Supplemental Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.07 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its Obligations under its Subsidiary Guarantee. Any Guaranteeing Subsidiary not released from its Obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other Obligations of any Guaranteeing Subsidiary under the Indenture as provided herein.

(c) Each Guaranteeing Subsidiary shall be released and relieved of its obligations under this Supplemental Indenture in accordance with, and subject to, Section 4.18 of the Indenture.

6. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, stockholder or agent of any Guaranteeing Subsidiary, as such, shall have any liability for any Obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such Obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. SUBORDINATION OF SUBSIDIARY GUARANTEES; ANTI-LAYERING. No Guaranteeing Subsidiary shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of a Guaranteeing Subsidiary and senior in any respect in right of payment to any of the Subsidiary Guarantees. Notwithstanding the foregoing sentence, the Subsidiary Guarantee of each Guaranteeing Subsidiary shall be subordinated to the prior payment in full of all Senior Debt of that Guaranteeing Subsidiary (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt.

8. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

11. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated: July 29, 2005 L-3 COMMUNICATIONS CORPORATION

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005 APCOM, INC., a Maryland corporation
BROADCAST SPORTS INC., a Delaware corporation
D.P. ASSOCIATES INC., a Virginia corporation
ELECTRODYNAMICS, INC., an Arizona corporation
HENSCHEL INC., a Delaware corporation
HYGIENETICS ENVIRONMENTAL SERVICES, INC., a Delaware corporation
INTERNATIONAL SYSTEMS, LLC, a California corporation
INTERSTATE ELECTRONICS CORPORATION, a California corporation
KDI PRECISION PRODUCTS, INC., a Delaware corporation
L-3 COMMUNICATIONS AEROMET, INC., an Oregon corporation
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC, a Delaware limited liability company
L-3 COMMUNICATIONS AIS GP CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC., a Florida corporation
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS AVISYS CORPORATION, a Texas corporation

L-3 COMMUNICATIONS CSI, INC., a California corporation
L-3 COMMUNICATIONS AYDIN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS CE HOLDINGS, INC., a Delaware corporation
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION, an Ohio corporation
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC., a Delaware corporation
L-3 COMMUNICATIONS ESSCO, INC., a Delaware corporation
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC, a Delaware limited liability company
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC., a Virginia corporation
L-3 COMMUNICATIONS ILEX SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION, a California corporation
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., a Delaware limited partnership
L-3 COMMUNICATIONS INVESTMENTS INC., a Delaware corporation

L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC., a Delaware corporation
L-3 COMMUNICATIONS MAS (US) CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS MOBILE-VISION, INC., a New Jersey corporation
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS SONOMA EO, INC., a California corporation
L-3 COMMUNICATIONS TITAN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS WESTWOOD CORPORATION, a Nevada corporation
LINCOM WIRELESS, INC., a Delaware corporation
MCTI ACQUISITION CORPORATION, a Maryland corporation
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED, a Maryland corporation
MICRODYNE CORPORATION, a Maryland corporation
MICRODYNE OUTSOURCING INCORPORATED, a Maryland corporation
MPRI, INC., a Delaware corporation
PAC ORD INC., a Delaware corporation
POWER PARAGON, INC., a Delaware corporation
PROCOM SERVICES, INC., a California corporation
SHELLCO, INC., a Delaware corporation
SHIP ANALYTICS, INC., a Connecticut corporation
SHIP ANALYTICS INTERNATIONAL, INC., a Delaware corporation
SHIP ANALYTICS USA, INC., a Connecticut corporation
SPD ELECTRICAL SYSTEMS, INC., a Delaware corporation
SPD SWITCHGEAR INC., a Delaware corporation
SYCOLEMAN CORPORATION, a Florida corporation
TITAN FACILITIES, INC., a Virginia corporation
TITAN SCAN TECHNOLOGIES CORPORATION, a Delaware corporation,
TROLL TECHNOLOGY CORPORATION, a California corporation
WESCAM AIR OPS INC., a Delaware corporation
WESCAM AIR OPS LLC, a Delaware limited liability company
WESCAM HOLDINGS (US) INC., a Delaware corporation
WESCAM INCORPORATED, a Florida corporation

WESCAM LLC, a Delaware limited liability company

WOLF COACH, INC., a Massachusetts corporation
As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005

THE BANK OF NEW YORK,
as Trustee

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

NOTATION ON SENIOR SUBORDINATED NOTE RELATING TO SUBSIDIARY GUARANTEE

Pursuant to the Supplemental Indenture (the "Supplemental Indenture") dated as of July 29, 2005 among L-3 Communications Corporation, the Guarantors party thereto (each a "Guarantor" and collectively the "Guarantors") and The Bank of New York, as trustee (the "Trustee"), each Guarantor (i) has jointly and severally unconditionally guaranteed (a) the due and punctual payment of the principal of, and premium, interest and Additional Interest on the Notes, whether at maturity or an interest payment date, by acceleration, call for redemption or otherwise, (b) the due and punctual payment of interest on the overdue principal and premium of, and interest and Additional Interest on the Notes, and (c) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise and (ii) has agreed to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under the Subsidiary Guarantee (as defined in the Supplemental Indenture).

Notwithstanding the foregoing, the Subsidiary Guarantee of each Guarantor shall be subordinated to the prior payment in full of all Senior Debt (as defined in the Indenture) of that Guarantor (in the same manner and to the same extent that the Notes are subordinated to the Senior Debt), which shall include all guarantees of Senior Debt.

Notwithstanding the foregoing, in the event that the Subsidiary Guarantee of any Guarantor would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guarantor under its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

No past, present or future director, officer, employee, agent, incorporator, stockholder or agent of any Guarantor, as such, shall have any liability for any Obligations of the Company or any Guarantor under the Notes, any Subsidiary Guarantee, the Indenture, any supplemental indenture delivered pursuant to the Indenture by such Guarantor, or for any claim based on, in respect of or by reason of such Obligations or their creation. Each Holder by accepting a Note waives and releases all such liability.

The Subsidiary Guarantee shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

The Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which the Subsidiary Guarantee is noted has been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. Capitalized terms used herein have the meaning assigned to them in the Indenture, dated as of December 22, 2003, among L-3 Communications Corporation, the Guarantors party thereto and the Trustee.

Dated: July 29, 2005

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERNATIONAL SYSTEMS, LLC
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.,
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS TITAN CORPORATION
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
LINCOM WIRELESS, INC.
MCTI ACQUISITION CORPORATION

MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
PROCOM SERVICES, INC.
SHELLCO, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TITAN FACILITIES, INC.
TITAN SCAN TECHNOLOGIES CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.

As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

EXHIBIT 10.68

SUPPLEMENTAL INDENTURE TO BE DELIVERED
BY GUARANTEEING SUBSIDIARIES

Supplemental Indenture (this "Supplemental Indenture"), dated as of July 29, 2005, among L-3 Communications Corporation (or its permitted successor), a Delaware corporation (the "Company"), each a direct or indirect subsidiary of the Company signatory hereto (each, a "Guaranteeing Subsidiary", and collectively, the "Guaranteeing Subsidiaries"), and The Bank of New York, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of November 12, 2004 providing for the issuance of an unlimited amount of 5 7/8% Senior Subordinated Notes due 2015 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations (as defined in the Indenture) under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

12. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

13. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Such Guaranteeing Subsidiary, jointly and severally with all other current and future guarantors of the Notes (collectively, the "Guarantors" and each, a "Guarantor"), unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, regardless of the validity and enforceability of the Indenture, the Notes or the Obligations of the Company under the Indenture or the Notes, that:

(i) the principal of, premium, interest and Additional Interest, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Additional Amounts, if any, on the

Notes, to the extent lawful, and all other Obligations of the Company to the Holders or the Trustee thereunder or under the Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(ii) in case of any extension of time for payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

(b) Notwithstanding the foregoing, in the event that this Subsidiary Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guaranteeing Subsidiary under this Supplemental Indenture and its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or

similar law.

14. EXECUTION AND DELIVERY OF SUBSIDIARY GUARANTEES.

(a) To evidence its Subsidiary Guarantee set forth in this Supplemental Indenture, such Guaranteeing Subsidiary hereby agrees that a notation of such Subsidiary Guarantee substantially in the form of Exhibit F to the Indenture shall be endorsed by an officer of such Guaranteeing Subsidiary on each Note authenticated and delivered by the Trustee after the date hereof.

(b) Notwithstanding the foregoing, such Guaranteeing Subsidiary hereby agrees that its Subsidiary Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

(c) If an Officer whose signature is on this Supplemental Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee shall be valid nevertheless.

(d) The delivery of any Note by the Trustee, after the authentication thereof under the Indenture, shall constitute due delivery of the Subsidiary Guarantee set forth in this Supplemental Indenture on behalf of each Guaranteeing Subsidiary.

(e) Each Guaranteeing Subsidiary hereby agrees that its Obligations hereunder shall be unconditional, regardless of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent

by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(f) Each Guaranteeing Subsidiary hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that its Subsidiary Guarantee made pursuant to this Supplemental Indenture will not be discharged except by complete performance of the Obligations contained in the Notes and the Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Company or any Guaranteeing Subsidiary, or any custodian, Trustee, liquidator or other similar official acting in relation to either the Company or such Guaranteeing Subsidiary, any amount paid by either to the Trustee or such Holder, the Subsidiary Guarantee made pursuant to this Supplemental Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) Each Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations guaranteed hereby. Each Guaranteeing Subsidiary further agrees that, as between such Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of the Subsidiary Guarantee made pursuant to this Supplemental Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and

(ii) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

(i) Each Guaranteeing Subsidiary shall have the right to seek contribution from any other non-paying Guaranteeing Subsidiary so long as the exercise of such right does not impair the rights of

the Holders or the Trustee under the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

15. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) Except as set forth in Articles 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into the Company or any other Guarantor or shall prevent any transfer, sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company or any other Guarantor.

(b) Except as set forth in Article 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into a corporation or corporations other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that each Guaranteeing Subsidiary hereby covenants and agrees that (i) subject to the Indenture, upon any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiaries, shall be expressly assumed (in the event that such Guaranteeing Subsidiary is not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which such Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists.

(c) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee

made pursuant to this Supplemental Indenture and the due and punctual performance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for such Guaranteeing Subsidiary with the same effect as if it had been named herein as the Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon the Notes issuable under the Indenture which theretofore shall

not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture and this Supplemental Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture and this Supplemental Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

16. RELEASES.

(a) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of a Guaranteeing Subsidiary), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. If the assets sold in such sale or other disposition include all or substantially all of the assets of a Guaranteeing Subsidiary or all of the Capital Stock of a Guaranteeing Subsidiary, then the Guaranteeing Subsidiary (in the event of a sale or other disposition of all of the Capital Stock of such Guaranteeing Subsidiary) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guaranteeing Subsidiary) shall be released from and relieved of its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guaranteeing Subsidiary, as the case may be, in accordance with the provisions of the Indenture and this Supplemental Indenture, including without limitation, Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guaranteeing Subsidiary from its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto. If the

Guaranteeing Subsidiary is not released from its obligations under its Subsidiary Guarantee, it shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of such Guaranteeing Subsidiary under the Indenture as provided in this Supplemental Indenture.

(b) Upon the designation of a Guaranteeing Subsidiary as an Unrestricted Subsidiary in accordance with the terms of the Indenture, such Guaranteeing Subsidiary shall be released and relieved of its Obligations under its Subsidiary Guarantee and this Supplemental Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.07 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its Obligations under its Subsidiary Guarantee. Any Guaranteeing Subsidiary not released from its Obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other Obligations of any Guaranteeing Subsidiary under the Indenture as provided herein.

(c) Each Guaranteeing Subsidiary shall be released and relieved of its obligations under this Supplemental Indenture in accordance with, and subject to, Section 4.18 of the Indenture.

17. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of any Guaranteeing Subsidiary, as such, shall have any liability for any Obligations of the Company

or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such Obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

18. SUBORDINATION OF SUBSIDIARY GUARANTEES; ANTI-LAYERING. No Guaranteeing Subsidiary shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of a Guaranteeing Subsidiary and senior in any respect in right of payment to any of the Subsidiary Guarantees. Notwithstanding the foregoing sentence, the Subsidiary Guarantee of each Guaranteeing Subsidiary shall be subordinated to the prior payment in full of all Senior Debt of that Guaranteeing Subsidiary (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt.

19. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

20. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

21. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

22. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated: July 29, 2005 L-3 COMMUNICATIONS CORPORATION

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005 APCOM, INC., a Maryland corporation
BROADCAST SPORTS INC., a Delaware corporation
D.P. ASSOCIATES INC., a Virginia corporation
ELECTRODYNAMICS, INC., an Arizona corporation
HENSCHEL INC., a Delaware corporation
HYGIENETICS ENVIRONMENTAL SERVICES, INC., a Delaware corporation
INTERNATIONAL SYSTEMS, LLC, a California corporation
INTERSTATE ELECTRONICS CORPORATION, a California corporation
KDI PRECISION PRODUCTS, INC., a Delaware corporation
L-3 COMMUNICATIONS AEROMET, INC., an Oregon corporation
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC, a Delaware limited liability company
L-3 COMMUNICATIONS AIS GP CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC., a Florida corporation
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS AVISYS CORPORATION, a Texas corporation

L-3 COMMUNICATIONS CSI, INC., a California corporation
L-3 COMMUNICATIONS AYDIN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS CE HOLDINGS, INC., a Delaware corporation
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION, an Ohio corporation
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC., a Delaware corporation
L-3 COMMUNICATIONS ESSCO, INC., a Delaware corporation
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC, a Delaware limited liability company
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC., a Virginia corporation
L-3 COMMUNICATIONS ILEX SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION, a California corporation
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., a Delaware limited partnership
L-3 COMMUNICATIONS INVESTMENTS INC., a Delaware corporation

L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC., a Delaware corporation
L-3 COMMUNICATIONS MAS (US) CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS MOBILE-VISION, INC., a New Jersey corporation
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC., a Delaware corporation
L-3 COMMUNICATIONS SONOMA EO, INC., a California corporation
L-3 COMMUNICATIONS TITAN CORPORATION, a Delaware corporation
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC, a Delaware limited liability company
L-3 COMMUNICATIONS WESTWOOD CORPORATION, a Nevada corporation
LINCOM WIRELESS, INC., a Delaware corporation
MCTI ACQUISITION CORPORATION, a Maryland corporation
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED, a Maryland corporation
MICRODYNE CORPORATION, a Maryland corporation
MICRODYNE OUTSOURCING INCORPORATED, a Maryland corporation
MPRI, INC., a Delaware corporation
PAC ORD INC., a Delaware corporation
POWER PARAGON, INC., a Delaware corporation
PROCOM SERVICES, INC., a California corporation
SHELLCO, INC., a Delaware corporation
SHIP ANALYTICS, INC., a Connecticut corporation
SHIP ANALYTICS INTERNATIONAL, INC., a Delaware corporation
SHIP ANALYTICS USA, INC., a Connecticut corporation
SPD ELECTRICAL SYSTEMS, INC., a Delaware corporation
SPD SWITCHGEAR INC., a Delaware corporation
SYCOLEMAN CORPORATION, a Florida corporation
TITAN FACILITIES, INC., a Virginia corporation
TITAN SCAN TECHNOLOGIES CORPORATION, a Delaware corporation,
TROLL TECHNOLOGY CORPORATION, a California corporation
WESCAM AIR OPS INC., a Delaware corporation
WESCAM AIR OPS LLC, a Delaware limited liability company
WESCAM HOLDINGS (US) INC., a Delaware corporation
WESCAM INCORPORATED, a Florida corporation

WESCAM LLC, a Delaware limited liability company

WOLF COACH, INC., a Massachusetts corporation
As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Dated: July 29, 2005

THE BANK OF NEW YORK,
as Trustee

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

NOTATION ON SENIOR SUBORDINATED NOTE RELATING TO SUBSIDIARY GUARANTEE

Pursuant to the Supplemental Indenture (the "Supplemental Indenture") dated as of July 29, 2005 among L-3 Communications Corporation, the Guarantors party thereto (each a "Guarantor" and collectively the "Guarantors") and The Bank of New York, as trustee (the "Trustee"), each Guarantor (i) has jointly and severally unconditionally guaranteed (a) the due and punctual payment of the principal of, and premium, interest and Additional Interest on the Notes, whether at maturity or an interest payment date, by acceleration, call for redemption or otherwise, (b) the due and punctual payment of interest on the overdue principal and premium of, and interest and Additional Interest on the Notes, and (c) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise and (ii) has agreed to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under the Subsidiary Guarantee (as defined in the Supplemental Indenture).

Notwithstanding the foregoing, the Subsidiary Guarantee of each Guarantor shall be subordinated to the prior payment in full of all Senior Debt (as defined in the Indenture) of that Guarantor (in the same manner and to the same extent that the Notes are subordinated to the Senior Debt), which shall include all guarantees of Senior Debt.

Notwithstanding the foregoing, in the event that the Subsidiary Guarantee of any Guarantor would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guarantor under its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

No past, present or future director, officer, employee, agent, incorporator, stockholder or agent of any Guarantor, as such, shall have any liability for any Obligations of the Company or any Guarantor under the Notes, any Subsidiary Guarantee, the Indenture, any supplemental indenture delivered pursuant to the Indenture by such Guarantor, or for any claim based on, in respect of or by reason of such Obligations or their creation. Each Holder by accepting a Note waives and releases all such liability.

The Subsidiary Guarantee shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

The Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which the Subsidiary Guarantee is noted has been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. Capitalized terms used herein have the meaning assigned to them in the Indenture, dated as of November 12, 2004, among L-3 Communications Corporation, the Guarantors party thereto and the Trustee.

Dated: July 29, 2005

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERNATIONAL SYSTEMS, LLC
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.,
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRAREDVISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS TITAN CORPORATION
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
LINCOM WIRELESS, INC.
MCTI ACQUISITION CORPORATION

MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
PROCOM SERVICES, INC.
SHELLCO, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TITAN FACILITIES, INC.
TITAN SCAN TECHNOLOGIES CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.

As Guaranteeing Subsidiaries

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title: Senior Vice President and Chief Financial Officer

Exhibit 10.69

EXECUTION VERSION

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L-3 COMMUNICATIONS CORPORATION,
As Issuer

6 3/8% SENIOR SUBORDINATED NOTES DUE 2015

INDENTURE

Dated as of July 29, 2005

The Bank of New York,
As Trustee

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EXHIBITS

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N.A. means not applicable.

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* This Cross-Reference Table is not part of the Indenture.

This INDENTURE, dated as of July 29, 2005, among L-3 Communications Corporation, a Delaware corporation, (the "Company"), the guarantors listed on the signature page hereto (the "Guarantors"), and The Bank of New York, as trustee (the "Trustee").

The Company and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 6 3/8% Senior Subordinated Notes due 2015 (the "Series A Notes") and the 6 3/8% Senior Subordinated Notes due 2015 (the "Exchange Notes" and, together with the Series A Notes, the "Notes"):

ARTICLE 1.
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

"144A Global Note" means the global note in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"2002 Indenture" means the indenture, dated as of June 28, 2002, among The Bank of New York, as trustee, the Company and the guarantors party thereto, with respect to the 2002 Notes.

"2002 Notes" means the $750,000,000 in aggregate principal amount of the Company's 7-5/8% Senior Subordinated Notes due 2012, issued pursuant to the 2002 Indenture on June 28, 2002.

"Acquired Debt" means, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Additional Interest" means all additional interest then owing pursuant to Section 5 of the Registration Rights Agreement.

"Additional Notes" means any Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02 and 4.09 hereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting

securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

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

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

"Asset Sale" means (i) the sale, lease, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) other than sales of inventory in the ordinary course of business (provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole shall be governed by the covenant contained in Section 4.15 and/or the covenant contained in Section 5.01 and not by the covenant contained in Section 4.10), and (ii) the issue or sale by the Company or any of its Subsidiaries of Equity Interests of any of the Company's Restricted Subsidiaries, in the case of either clause (i) or (ii), whether in a single transaction or a series of related transactions (A) that have a fair market value in excess of $20.0 million or (B) for net proceeds in excess of $20.0 million. Notwithstanding the foregoing: (i) a transfer of assets by the Company to a Restricted Subsidiary or by a Restricted Subsidiary to the Company or to another Restricted Subsidiary, (ii) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary, (iii) a Restricted Payment that is permitted by the covenant contained in Section 4.07 and (iv) a disposition of Cash Equivalents in the ordinary course of business shall not be deemed to be an Asset Sale.

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means the Board of Directors of the Company, or any authorized committee of the Board of Directors.

"Broker-Dealer" has the meaning set forth in the Registration Rights Agreement.

"Business Day" means any day other than a Legal Holiday.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or

other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means (i) United States dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States

government or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case with any domestic financial institution to the Senior Credit Facility or with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thompson Bank Watch Rating of "B" or better, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above, (v) commercial paper having the highest rating obtainable from Moody's or S&P and in each case maturing within six months after the date of acquisition, (vi) investment funds investing 95% of their assets in securities of the types described in clauses (i)-(v) above, and (vii) readily marketable direct obligations issued by any State of the United States of America or any political subdivision thereof having maturities of not more than one year from the date of acquisition and having one of the two highest rating categories obtainable from either Moody's or S&P.

"Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than the Principals or their Related Parties (as defined below), (ii) the adoption of a plan relating to the liquidation or dissolution of the Company, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the Voting Stock of the Company (measured by voting power rather than number of shares) or (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

"Clearstream" means Clearstream Banking, societe anonyme (formerly Cedelbank).

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus (i) an amount equal to any extraordinary loss plus any net loss realized in connection with an Asset Sale (to the extent such losses were deducted in computing such Consolidated Net Income), plus (ii) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income, plus (iii) consolidated interest expense of such Person and its Restricted Subsidiaries for such

period, whether paid or accrued and whether or not capitalized (including, without limitation, original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income, plus (iv) depreciation, amortization (including amortization of goodwill, debt issuance costs and other intangibles but excluding amortization of other prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income, minus (v) non-cash items (excluding any items that were accrued in the ordinary course of business) increasing such Consolidated Net Income for such period, in each case, on a consolidated basis and determined in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that (i) the Net Income of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Restricted Subsidiary thereof, (ii) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions

by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, (iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded, (iv) the cumulative effect of a change in accounting principles shall be excluded, (v) the Net Income of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the Company or one of its Restricted Subsidiaries, and (vi) the Net Income of any Restricted Subsidiary shall be calculated after deducting preferred stock dividends payable by such Restricted Subsidiary to Persons other than the Company and its other Restricted Subsidiaries.

"Consolidated Tangible Assets" means, with respect to any Person, the total consolidated assets of such Person and its Restricted Subsidiaries, less the total intangible assets of such Person and its Restricted Subsidiaries, as shown on the most recent internal consolidated balance sheet of such Person and such Restricted Subsidiaries calculated on a consolidated basis in accordance with GAAP.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the date of this Indenture or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"Convertible Notes Indenture" means the indenture to be entered into with respect to the Convertible Notes among The Bank of New York, as trustee, Holdings, the Company, as a guarantor, and the other guarantors named therein.

"Convertible Notes" means the $500,000,000 in aggregate principal amount of Holdings' Convertible Contingent Debt Securities due 2035 to be issued pursuant to the Convertible Notes Indenture in connection with the Titan acquisition.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 hereof or such other address as to which the Trustee may give notice to the Company.

"Credit Facilities" means, with respect to the Company, one or more debt facilities (including, without limitation, the Senior Credit Facility) or commercial paper facilities with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original lender or lenders and whether provided under the original Credit Facilities or other credit agreement, indenture or otherwise).

"December 2003 Indenture" means the indenture, dated as of December 22, 2003, among The Bank of New York, as trustee, the Company and the guarantors party thereto, with respect to the December 2003 Notes.

"December 2003 Notes" means the $400,000,000 in aggregate principal amount of the Company's 6-1/8% Senior Subordinated Notes due 2014, issued pursuant to the December 2003 Indenture on December 22, 2003.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Article 2 hereof, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, until a successor shall have been appointed and become such pursuant to the applicable provision of this Indenture, and, thereafter, "Depositary" shall mean or include such successor.

"Designated Senior Debt" means (i) any Indebtedness outstanding under the Senior Credit Facility and (ii) any other Senior Debt permitted under the

Indenture the principal amount of which is $25.0 million or more and that has been designated by the Company as "Designated Senior Debt".

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the Holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature; provided, however, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof; and provided further, that if such Capital Stock is issued to any plan for the benefit of employees of the Company or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company in order to satisfy applicable statutory or regulatory obligations.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Offering" means any public or private sale of equity securities (excluding Disqualified Stock) of the Company or Holdings, other than any private sales to an Affiliate of the Company or Holdings.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f).

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Existing Indebtedness" means any Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness under the Senior Credit Facility and the Notes) in existence on the date of the Indenture, until such amounts are repaid.

"Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of (i) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net

payments (if any) pursuant to Hedging Obligations, but excluding amortization of debt issuance costs) and (ii) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period, and (iii) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (whether or not such Guarantee or Lien is called upon) and (iv) the product of (A) all dividend payments, whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividend payments on Equity Interests payable solely in Equity Interests of the Company, times (B) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"Fixed Charge Coverage Ratio" means with respect to any Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person and its Restricted Subsidiaries for such period. In the event that the Company or any of its Restricted Subsidiaries incurs, assumes, Guarantees or redeems any Indebtedness (other than revolving credit borrowings) or issues preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, Guarantee or redemption of Indebtedness, or such issuance or redemption of preferred stock, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of making the computation referred to above, (i) acquisitions that have been made by the Company or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (iii) of the proviso set forth in the definition of Consolidated Net Income, (ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, and (iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the referent Person or any of its Restricted Subsidiaries following the Calculation Date.

"Foreign Subsidiary" means a Restricted Subsidiary of the Company that was not organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof or that has not guaranteed or otherwise provided direct credit support for any Indebtedness of the Company.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on April 30, 1997.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A hereto issued in accordance with Article 2 hereof.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii) to be placed on all Global Notes issued under this Indenture.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America for the payment of which guarantee or obligations the full faith and credit of the United States is pledged.

"Guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Guarantors" means each Person listed on the signature page hereto and each Subsidiary of the Company that executes a Subsidiary Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (i) currency exchange or interest rate swap agreements, interest rate cap agreements and currency exchange or interest rate collar agreements and (ii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or interest rates.

"Holder" means a Person in whose name a Note is registered.

"Holdings" means L-3 Communications Holdings, Inc., a Delaware corporation.

"IAI Global Note" means the global Note in the form of Exhibit A

hereto bearing the Global Note Legend and the Private Placement Legend and deposited with and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold to Institutional Accredited Investors.

"Indebtedness" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all indebtedness of others secured by a Lien on any asset of such Person (whether or not such indebtedness is assumed by such Person) and, to the extent not otherwise included, the Guarantee by such Person of any indebtedness of any other Person. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness that does not require current payments of interest, and (ii) the

principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Notes" means $1.0 billion in aggregate principal amount of Notes issued under this Indenture on the date hereof.

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

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of direct or indirect loans (including guarantees of Indebtedness or other obligations), advances or capital contributions (excluding commission, travel, moving and similar loans or advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided in the last paragraph of the covenant contained in Section 4.07.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in The City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

"Lehman Investor" means Lehman Brothers Holdings Inc. and any of its Affiliates.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Series A Notes for use by such Holders in connection with the Exchange Offer.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Marketable Securities" means, with respect to any Asset Sale, any readily marketable equity securities that are (i) traded on The New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market; and (ii) issued by a corporation having a total equity market capitalization of not less than $250.0 million; provided that the excess of (A) the aggregate amount of securities of any one such corporation held by the Company and any Restricted Subsidiary over (B) ten times the average daily trading volume of such securities during the 20 immediately preceding trading days shall be deemed not to be Marketable Securities; as determined on the date of the contract relating to such Asset Sale.

"May 2003 Indenture" means the indenture, dated as of May 21, 2003, among The Bank of New York, as trustee, the Company and the guarantors thereto, with respect to the May 2003 Notes.

"May 2003 Notes" means the $400,000,000 in aggregate principal amount of the Company's 6-1/8% Senior Subordinated Notes due 2013, issued pursuant to the May 2003 Indenture.

"Moody's" means Moody's Investors Services, Inc.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however, (i) any gain or loss, together with any related provision for taxes thereon, realized in connection with (A) any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions) or (B) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries and (ii) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss and (iii) the cumulative effect of a change in accounting principles.

"Net Proceeds" means the aggregate cash proceeds received by the Company or any of its Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, and sales commissions) and any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"Non-Recourse Debt" means Indebtedness (i) as to which neither the Company nor any of its Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (B) is directly or indirectly liable (as a guarantor or otherwise), or (C) constitutes the lender; and (ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness (other than Indebtedness incurred under Credit Facilities) of the

Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (iii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

"Non-U.S. Person" means a person who is not a U.S. Person.

"Note Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Notes" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"November 2004 Indenture" means the indenture, dated as of November

12, 2004, among The Bank of New York, as trustee, the Company and the guarantors thereto, with respect to the November 2004 Notes.

"November 2004 Notes" means the $650,000,000 in aggregate principal amount of the Company's 5-7/8% Senior Subordinated Notes due 2015, issued pursuant to the November 2004 Indenture on November 12, 2004.

"Obligations" means any principal, premium and Additional Interest (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization, whether or not a claim for post-filing interest is allowed in such proceeding), penalties, fees, charges, expenses, indemnifications, reimbursement obligations, damages, guarantees and other liabilities or amounts payable under the documentation governing any Indebtedness or in respect thereto.

"Offering" means the offering of the Notes by the Company.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 12.05 hereof.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05 hereof. The counsel may be an employee of or counsel to the Company and any Subsidiary of the Company.

"Participant" means, with respect to DTC, Euroclear or Clearstream, a Person who has an account with DTC, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"Permitted Investment" means (i) any Investment in the Company or in a Restricted Subsidiary of the Company; (ii) any Investment in cash or Cash Equivalents; (iii) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment (A) such Person becomes a Restricted Subsidiary of the Company or (B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company; (iv) any Restricted Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 or any disposition of assets not constituting an Asset sale; (v) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company; (vi) advances to employees not to exceed $2.5 million at any one time outstanding; (vii) any Investment acquired in connection with or as a result of a workout or bankruptcy of a customer or supplier; (viii) Hedging Obligations permitted to be incurred under Section 4.09; (ix) any Investment in a Similar Business that is not a Restricted Subsidiary; provided that the aggregate fair market value of all Investments outstanding pursuant to this clause (ix) (valued on the date each such Investment was made and without giving effect to subsequent changes in value) may not at any one time exceed 10% of the Consolidated Tangible Assets of the Company; and (x) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (x) that are at the time outstanding, not to exceed the greater of (a) 5% of Consolidated Tangible Assets of the Company or (b) $100.0 million.

"Permitted Joint Venture" means any joint venture, partnership or other Person designated by the Board of Directors (until designation by the Board of Directors to the contrary); provided that (i) at least 25% of the Capital Stock thereof with voting power under ordinary circumstances to elect directors (or Persons having similar or corresponding powers and responsibilities) is at the time owned (beneficially or directly) by the Company and/or by one or more Restricted Subsidiaries of the Company and (ii) such joint venture, partnership or other Person is engaged in a Similar Business. Any such designation or designation to the contrary shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"Permitted Junior Securities" means Equity Interests in the Company or debt securities that are subordinated to all Senior Debt (and any debt securities issued in exchange for Senior Debt) to substantially the same extent as, or to a greater extent than, the Notes and the Subsidiary Guarantees are subordinated to Senior Debt pursuant to Article 11 of this Indenture.

"Permitted Liens" means (i) Liens securing Senior Debt of the Company or any Restricted Subsidiary that was permitted by the terms of this Indenture to be incurred; (ii) Liens in favor of the Company or any Guarantor; (iii) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Restricted Subsidiary of the

Company; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company; (iv) Liens on property existing at the time of acquisition thereof by the Company or any Subsidiary of the Company, provided that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any other assets of the Company or any of its Restricted Subsidiaries; (v) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business; (vi) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (iv) of the second paragraph of Section 4.09 covering only the assets acquired with such Indebtedness; (vii) Liens existing on the date of this Indenture; (viii) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (ix) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed $50.0 million at any one time outstanding; (x) Liens on assets of Guarantors to secure Senior Debt of such Guarantors that were permitted by this Indenture to be incurred; (xi) Liens securing Permitted Refinancing Indebtedness, provided that any such Lien does not extend to or cover any property, shares or debt other than the property, shares or debt securing the Indebtedness so refunded, refinanced or extended; (xii) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return of money bonds and other obligations of a like nature, in each case incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money); (xiii) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business; (xiv) Liens encumbering customary initial deposits and margin deposits, and other Liens incurred in the ordinary course of business that are within the general parameters customary in the industry, in each case securing Indebtedness under Hedging Obligations; (xv) Liens encumbering deposits made in the ordinary course of business to secure nondelinquent obligations arising from statutory or regulatory, contractual or warranty requirements of the Company or its Subsidiaries for which a reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made; and (xvi) Liens securing Indebtedness and related Hedging Obligations of Foreign Subsidiaries that are permitted by the terms of this Indenture to be incurred.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries; provided that: (i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus accrued interest on, the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of reasonable expenses and prepayment premiums incurred in connection therewith); (ii) such Permitted Refinancing Indebtedness has a final maturity date no earlier than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness

being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or

refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Permitted Securities" means, with respect to any Asset Sale, Voting Stock of a Person primarily engaged in one or more Similar Businesses; provided that after giving effect to the Asset Sale such Person shall become a Restricted Subsidiary and, unless the Asset Sale relates to a Foreign Subsidiary, a Guarantor (to the extent required by the terms of this Indenture).

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or agency or political subdivision thereof (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

"Principals" means any Lehman Investor and Frank C. Lanza.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i) to be placed on all Notes issued under this Indenture except as otherwise permitted by the provisions of this Indenture.

"Purchase Agreement" means the Purchase Agreement, dated as of July 27, 2005, among the Company, the Guarantors, Lehman Brothers Inc., Banc of America Securities LLC, Bear Steans & Co. Inc. and Credit Suisse First Boston LLC, as representatives of the several initial purchasers named therein.

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

"Registration Rights Agreement" means the A/B Exchange Registration Rights Agreement, dated as of the date hereof, by and among the Company and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements between the Company and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

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

"Regulation S Global Note" means a global Note bearing the Private Placement Legend and deposited with and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Regulation S.

"Related Party" with respect to any Principal means (i) any controlling stockholder, 50% (or more) owned Subsidiary, or spouse or immediate family member (in the case of an individual) of such Principal or (ii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a more than 50% controlling interest of which consist of such Principal and/or such other Persons referred to in the immediately preceding clause (i).

"Representative" means the indenture trustee or other trustee, agent or representative for any Senior Debt.

"Responsible Officer" when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Notes" means the 144A Global Note, the IAI Global Note and the Regulation S Global Note, each of which shall bear the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Period" means the 40-day restricted period as defined in Regulation S.

"Restricted Subsidiary" means, with respect to any Person, each Subsidiary of such Person that is not an Unrestricted Subsidiary.

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

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

"Rule 903" means Rule 903 under the Securities Act.

"Rule 904" means Rule 904 under the Securities Act.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Credit Facility" means the amended and restated Credit Agreement, dated as of the date hereof, as in effect on the date of this Indenture, among the Company, the lenders party thereto, Bank of America, N.A., as administrative agent, and Lehman Commercial Paper Inc., as syndication agent and documentation agent, and any related notes, collateral documents, letters of credit and guarantees, including any appendices, exhibits or schedules to any of the foregoing (as the same may be in effect from time to time), in each case, as such agreements may

be amended, modified, supplemented or restated from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid or extended from time to time (whether with the original agents and lenders or other agents and lenders or otherwise, and whether provided under the original credit agreement or other credit agreements, indentures or otherwise).

"Senior Debt" means (i) all Indebtedness of the Company or any of its Restricted Subsidiaries outstanding under Credit Facilities and all Hedging Obligations with respect thereto, (ii) any other Indebtedness permitted to be incurred by the Company or any of its Restricted Subsidiaries under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes and (iii) all Obligations with respect to the foregoing. Notwithstanding anything to the contrary in the foregoing, Senior Debt will not include (i) any liability for federal, state, local or other taxes owed or owing by the Company, (ii) any Indebtedness of the Company to any of its Subsidiaries or other Affiliates, (iii) any trade payables or (iv) any Indebtedness that is incurred in violation of the Indenture. The 2002 Notes, the May 2003 Notes, the December 2003 Notes, the November 2004 Notes and the obligations of the Company under its guarantee of the Convertible Notes shall be deemed to rank pari passu with the Notes and shall not constitute Senior Debt.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"Significant Subsidiary" means any Subsidiary which is a "significant subsidiary" within the meaning of Rule 405 under the Securities Act.

"Similar Business" means a business, a majority of whose revenues in the most recently ended calendar year were derived from (i) the sale of defense products, electronics, communications systems, aerospace products, avionics products and/or communications products, (ii) any services related thereto, (iii) any business or activity that is reasonably similar thereto or a reasonable extension, development or expansion thereof or ancillary thereto, and (iv) any combination of any of the foregoing.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such

Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and (ii) any partnership (A) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (B) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"S&P" means Standard and Poor's Corporation.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under TIA.

"Transaction Documents" means the Indenture, the Notes, the Purchase Agreement and the Registration Rights Agreement.

"Transfer Restricted Securities" means securities that bear or are required to bear the Private Placement Legend set forth in Section 2.06(g)(i) hereof.

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

"Unrestricted Global Note" means one or more Global Notes, in the form of Exhibit A attached hereto, that do not and are not required to bear the Private Placement Legend and are deposited with and registered in the name of the Depositary or its nominee.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not and are not required to bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary: (i) has no Indebtedness other than Non-Recourse Debt; (ii) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (iii) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (A) to subscribe for additional Equity Interests or (B) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; (iv) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; and (v) has at least one director on its board of directors that is not a director or executive officer of the Company or any of its Restricted Subsidiaries. Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions and was permitted by Section 4.07. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09, the Company shall be in default of such covenant). The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of

the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (i) such Indebtedness is permitted under Section 4.09, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period, and (ii) no Default or Event of Default would be in existence following such designation.

"U.S. Person" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"Voting Stock" of any Person as of any date means the Capital Stock of

such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly Owned" means, when used with respect to any Subsidiary or Restricted Subsidiary of a Person, a Subsidiary (or Restricted Subsidiary, as appropriate) of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries (or Wholly Owned Restricted Subsidiaries, as appropriate) of such Person and one or more Wholly Owned Subsidiaries (or Wholly Owned Restricted Subsidiaries, as appropriate) of such Person.

Section 1.02 Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.11
"Asset Sale Offer"	3.09
"Change of Control Offer"	4.15
"Change of Control Payment"	4.15
"Change of Control Payment Date"	4.15
"Covenant Defeasance"	8.03
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.10
"Global Note Legend"	2.06
"incur"	4.09
"Legal Defeasance"	8.02
"Offer Amount"	3.09
"Offer Period"	3.09
"Paying Agent"	2.03

"Payment Blockage Notice"	11.03
"Permitted Debt"	4.09
"Purchase Date"	3.09
"Registrar"	2.03
"Restricted Payments"	4.07
"Series A Notes"	preamble

Section 1.03 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee;

"obligor" on the Notes means the Company and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04 Rules of Construction.

Unless the context otherwise requires:

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

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

(3) "or" is not exclusive;

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

(5) provisions apply to successive events and transactions; and

(6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2.
THE NOTES

Section 2.01 Form and Dating.

The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may be issued in the form of Definitive Notes or Global Notes, as specified by the Company. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $100,000 and integral multiples of $1,000 in excess thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend and the "Schedule of Exchanges in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to interests in the Regulation S Global Notes that are held by the Agent Members through Euroclear or Clearstream.

Section 2.02 Execution and Authentication.

Two Officers shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Company signed by two Officers, authenticate the Initial Notes for original issue up to $1.0 billion in aggregate principal amount and, upon receipt of an authentication order in accordance with this Section 2.02, at any time and from time to time thereafter,

the Trustee shall authenticate Additional Notes and Exchange Notes for original issue in an aggregate principal amount specified in such authentication order.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 Registrar and Paying Agent.

The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Note Custodian with respect to the Global Notes.

Section 2.04 Paying Agent To Hold Money In Trust.

The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Interest, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any

bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA Section 312(a).

Section 2.06 Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if (i) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary or (ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee. Upon the occurrence of either of the preceding events in (i) or (ii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may

be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.11 hereof. Every Note authenticated and made available for delivery in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to Section 2.07 or 2.11 hereof, shall be authenticated and made available for delivery in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the procedures of the Depositary therefor. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. The Trustee shall have no obligation to ascertain the Depositary's compliance with any such restrictions on transfer. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery

thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred only to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests (other than transfers of beneficial interests in a Global Note to Persons who take delivery thereof in the form of a beneficial interest in the same Global Note), the transferor of such beneficial interest must deliver to the Registrar either (A)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in the specified Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B)(1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above. Upon an Exchange Offer by the Company in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture, the Notes and otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in another Restricted Global Note if the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a

beneficial interest in the Regulation S Global Note, then the transferor must deliver a

certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver (x) a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, (y) to the extent required by item 3(d) of Exhibit B hereto, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act and such beneficial interest is being transferred in compliance with any applicable blue sky securities laws of any State of the United States and (z) if the transfer is being made to an Institutional Accredited Investor and effected pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A under the Securities Act, Rule 144 under the Securities Act or Rule 904 under the Securities Act, a certificate from the transferee in the form of Exhibit D hereto.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note. Beneficial interests in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in the Unrestricted Global Note or transferred to Persons who take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder, in the case of an exchange, or the transferee, in the case of a transfer, is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in the Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof;

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

(3) in each such case set forth in this subparagraph (D), an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act, that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act, and such beneficial interest is being exchanged or transferred in compliance with any applicable blue sky securities laws of any State of the United States.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an authentication order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more

Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in any Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon receipt by the Registrar of the following documentation (all of which may be submitted by facsimile):

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration

requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(d) thereof, a certificate from the transferee to the effect set forth in Exhibit D hereof and, to the extent required by item 3(d) of Exhibit B, an Opinion of Counsel from the transferee or the transferor reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act and such beneficial interest is being transferred in compliance with any applicable blue sky securities laws of any State of the United States;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Definitive Notes issued in exchange for beneficial interests in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such names and in such authorized denominations as the holder shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Definitive Notes issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Notwithstanding 2.06(c)(i), a holder of a beneficial interest in

a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder, in the case of an exchange, or the transferee, in the case of a transfer, is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof;

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(3) in each such case set forth in this subparagraph (D), an Opinion of Counsel in form reasonably acceptable to the Company, to the effect that such exchange or transfer is in compliance with the Securities Act, that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act, and such beneficial interest in a Restricted Global Note is being exchanged or transferred in compliance with any applicable blue sky securities laws of any State of the United States.

(iii) If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Definitive Notes issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such names and in such authorized denominations as the holder shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Definitive Notes issued in exchange for a beneficial interest pursuant to this section 2.06(c)(iii) shall not bear the Private Placement Legend. Beneficial interests in an Unrestricted Global Note cannot be exchanged for a Definitive Note bearing the Private Placement Legend or transferred to a Person who takes delivery thereof in the form of a Definitive Note bearing the Private Placement Legend.

(d) Transfer or Exchange of Definitive Notes for Beneficial Interests.

(i) If any Holder of Restricted Definitive Notes proposes to exchange such Notes for a beneficial interest in a Restricted Global Note or to transfer such Definitive Notes to a Person who takes delivery thereof in

the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation (all of which may be submitted by facsimile):

(A) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Definitive Notes are being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Definitive Notes are being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Definitive Notes are being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Definitive Notes are being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(d) thereof, a certificate from the transferee to the effect set forth in Exhibit D hereof and, to the extent required by item 3(d) of Exhibit B, an Opinion of Counsel from the transferee or the transferor reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act and such Definitive Notes are being transferred in compliance with any applicable blue sky securities laws of any State of the United States;

(F) if such Definitive Notes are being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Definitive Notes are being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Definitive Notes, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted

Global Note, in the case of clause (B) above, the 144A Global Note, in the case of clause (C) above, the Regulation S Global Note, and in all other cases, the IAI Global Note.

(ii) A Holder of Restricted Definitive Notes may exchange such Notes for a beneficial interest in the Unrestricted Global Note or transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in the Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof;

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(3) in each such case set forth in this subparagraph (D), an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act, that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act, and such Definitive Notes are being exchanged or transferred in compliance with any applicable blue sky securities laws of any State of the United States.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) A Holder of Unrestricted Definitive Notes may exchange such Notes for a beneficial interest in the Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in the Unrestricted Global Note. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the Unrestricted Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an authentication order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of beneficial interests transferred pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above.

(e) Transfer and Exchange of Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, pursuant to the provisions of this Section 2.06(e).

(i) Restricted Definitive Notes may be transferred to and registered in the name of Persons who take delivery thereof if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver (x) a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, (y) to the extent required by item 3(d) of Exhibit B hereto, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act and such beneficial interest is being transferred in compliance with any applicable blue sky securities laws of any State of the United States and (z) if the transfer is being made to an Institutional Accredited

Investor and effected pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A under the Securities Act, Rule 144 under the Securities Act or Rule 904 under the Securities Act, a certificate from the transferee in the form of Exhibit D hereto.

(ii) Restricted Definitive Notes may be exchanged by any Holder thereof for an Unrestricted Definitive Note or transferred to Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder, in the case of an exchange, or the transferee, in the case of a transfer, is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof;

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(3) in each such case set forth in this subparagraph (D), an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act, that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act, and such Restricted Definitive Note is being exchanged or transferred in compliance with any applicable blue sky securities laws of any State of the United States.

(iii) A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request for such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof. Unrestricted Definitive Notes cannot be exchanged for or transferred to Persons who take delivery thereof in the form of a Restricted Definitive Note.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt

of an authentication order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by persons that are not (x) broker-dealers, (y) Persons participating in the distribution of the Exchange Notes or (z) Persons who are affiliates (as defined in Rule 144) of the Company and accepted for exchange in the exchange Offer and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrent with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company shall execute and the Trustee shall authenticate and make available for delivery to the Persons designated by the Holders of Definitive Notes so

accepted Definitive Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF L-3 COMMUNICATIONS CORPORATION THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF L-3 COMMUNICATIONS CORPORATION SO REQUESTS), (2) TO L-3 COMMUNICATIONS CORPORATION OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION

STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note, by the Trustee or by the Depositary at the direction of the Trustee, to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note, by the Trustee or by the Depositary at the direction of the Trustee, to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Company's order or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 4.10, 4.15 and 9.05 hereof).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

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

Section 2.07 Replacement Notes.

If any mutilated Note is surrendered to the Trustee, or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon the written order of the Company signed by two Officers of the Company, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.09 Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Trustee knows are so owned shall be so disregarded.

Section 2.10 Temporary Notes.

Until Definitive Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes upon a written order of the Company signed by two Officers of the Company. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate Definitive Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.11 Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall destroy canceled Notes (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all canceled Notes shall be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 Defaulted Interest.

If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date, provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 CUSIP Numbers.

The Company in issuing the Notes may use CUSIP numbers (if then

generally in use), and, if so, the Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE 3.
REDEMPTION AND PREPAYMENT

Section 3.01 Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02 Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed at any time, selection of Notes for redemption shall be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate; provided that no Notes of $100,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. Notices of redemption may not be conditional. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof shall be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of $100,000 or whole multiples of $1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03 Notice Of Redemption.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed (including CUSIP Numbers, if any) and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

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

(e) that Notes called for redemption must be surrendered to the Paying

Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 Effect Of Notice Of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05 Deposit Of Redemption Price.

Prior to 11:00 a.m. on the Business Day prior to the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of

the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 Notes Redeemed In Part.

Upon surrender of a Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07 Optional Redemption.

(a) Except as set forth in clause (b) of this Section 3.7, the Notes shall not be redeemable at the Company's option prior to October 15, 2010. Thereafter, the Notes shall be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on October 15 of the years indicated below:

Year	Percentage
2010	103.188%
2011	102.125%
2012	101.063%
2013 and thereafter	100.000%

(b) Notwithstanding the foregoing clause (a), before October 15, 2008, the Company may on any one or more occasions redeem up to an aggregate of 35% of the Notes originally issued at a redemption price of 106.375% of the principal

amount thereof, plus accrued and unpaid interest and Additional Interest thereon, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings by the Company or the net cash proceeds of one or more Equity Offerings by Holdings that are contributed to the Company as common equity capital; provided that at least 65% of the Notes originally issued remain outstanding immediately after the occurrence of each such redemption; and provided, further, that any such redemption must occur within 120 days of the date of the closing of such Equity Offering.

Section 3.08 Mandatory Redemption.

Except as set forth under Sections 4.10 and 4.15, the Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Section 3.09 Offer To Purchase By Application Of Excess Proceeds.

In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence an offer to all Holders to purchase Notes (an "Asset Sale Offer"), it shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Company shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.10 hereof (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrete or accrue interest;

(d) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrete or accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may only elect to have all of such Note purchased and may not elect to have only a portion of such Note purchased;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is

withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Company shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $100,000, or integral multiples of $1,000 in excess thereof, shall be purchased); and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note, and the Trustee, upon written request from the Company shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4.
COVENANTS

Section 4.01 Payment Of Notes.

The Company shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Company shall pay all Additional Interest, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1.0% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 Maintenance Of Office Or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any

change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.03.

Section 4.03 Reports.

Notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, the Company shall file with the SEC (and provide the Trustee and Holders with copies thereof), without cost to each Holder, within 15 days after it files them with the SEC:

(a) within 90 days after the end of each fiscal year, annual reports on Form 10-K (or any successor or comparable form) containing the information required to be contained therein (or required in such successor or comparable form);

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, reports on Form 10-Q (or any successor or comparable form);

(c) promptly from time to time after the occurrence of an event required to be therein reported, such other reports on Form 8-K (or any successor or comparable form); and

(d) any other information, documents and other reports which the Company would be required to file with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act; provided, however, the Company shall not be so obligated to file such reports with the SEC if the SEC does not permit such filing, in which event the Company will make available such information to prospective purchasers of Notes, in addition to providing such information to the Trustee and the Holders, in each case within 15 days after the time the Company would be required to file such information with the SEC, if it were subject to Sections 13 or 15(d) of the Exchange Act.

Subject to the provisions of Article 7, delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 4.04 Compliance Certificate.

(a) The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03(a) above shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to

any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, as soon as possible and in any event within five Business Days after any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05 Taxes.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06 Stay, Extension and Usury Laws

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and, to the extent that it may lawfully do so, the Company and each of the Guarantors hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 Restricted Payments.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (A) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Company or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities); (ii) purchase, redeem or otherwise acquire or retire for value (including without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company; (iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes except a payment of interest or principal at Stated Maturity; or (iv) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since April 30, 1997 (excluding Restricted Payments permitted by clauses (ii) through (viii) of the next succeeding paragraph or of the kind contemplated by such clauses that were made prior to the date of this Indenture), is less than the sum of (i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from July 1,

1997 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus (ii) 100% of the aggregate net cash proceeds received by the Company since April 30, 1997 as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock) or from the issue or sale of Disqualified Stock or debt securities of the Company that have been converted into such Equity Interests (other than Equity Interests (or Disqualified Stock or convertible debt securities) sold to a Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock), plus (iii) to the extent that any Restricted Investment that was made after April 30, 1997 is sold for cash or otherwise liquidated or repaid for cash, the amount of cash received in connection therewith (or from the sale of Marketable Securities received in connection therewith), plus (iv) to the extent not already included in such Consolidated Net Income of the Company for such period and without duplication, (A) 100% of the aggregate amount of cash received as a dividend from an Unrestricted Subsidiary, (B) 100% of the cash received upon the sale of Marketable Securities received as a dividend from an Unrestricted Subsidiary, and (C) 100% of the net assets of any Unrestricted Subsidiary on the date that it becomes a Restricted Subsidiary.

The foregoing provisions shall not prohibit: (i) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Indenture; (ii) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, other Equity Interests of the Company (other than any Disqualified Stock); provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (c)(ii) of the preceding paragraph; (iii) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness (other than intercompany Indebtedness) in exchange for, or with the net cash proceeds from an incurrence of, Permitted Refinancing Indebtedness; (iv) the repurchase, retirement or other acquisition or retirement for

value of common Equity Interests of the Company or Holdings held by any future, present or former employee, director or consultant of the Company or any Subsidiary or Holdings issued pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement; provided, however, that the aggregate amount of Restricted Payments made under this clause (iv) does not exceed $15.0 million in any calendar year and provided further that cancellation of Indebtedness owing to the Company from members of management of the Company or any of its Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Company shall not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Indenture; (v) repurchases of Equity Interests deemed to occur upon exercise of stock options upon surrender of Equity Interests to pay the exercise price of such options; (vi) payments to Holdings (A) in amounts equal to the amounts required for Holdings to pay franchise taxes and other fees required to maintain its legal existence and provide for other operating costs of up to $5.0 million per fiscal year and (B) in amounts equal to amounts required for Holdings to pay federal, state and local income taxes to the extent such income taxes are actually due and owing; provided that the aggregate amount paid under this clause (B) does not exceed the amount that the Company would be required to pay in respect of the income of the Company and its Subsidiaries if the Company were a stand alone entity that was not owned by Holdings; (vii) dividends paid to Holdings in amounts equal to amounts required for Holdings to pay interest and/or principal on Indebtedness that has been guaranteed by, or is otherwise considered Indebtedness of, the Company; and (viii) other Restricted Payments in an aggregate amount since May 22, 1998 not to exceed $100.0 million.

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause a Default. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated shall be deemed to be Restricted Payments at the time of such designation and shall reduce the amount available for Restricted Payments under the first paragraph of this covenant. All such outstanding Investments shall be deemed to constitute Investments in an amount equal to the fair market value of such Investments at the time of such designation. Such designation shall only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any non-cash Restricted Payment shall be determined by the Board of Directors whose resolution with respect thereto shall be delivered to the Trustee.

Section 4.08 Dividend And Other Payment Restrictions Affecting Restricted Subsidiaries.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to (i)(A) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries (1) on its

Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits, or (B) pay any indebtedness owed to the Company or any of its Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its Restricted Subsidiaries, or (iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries. However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of (A) the provisions of security agreements that restrict the transfer of assets that are subject to a Lien created by such security agreements, (B) the provisions of agreements governing Indebtedness incurred pursuant to clause (v) of the second paragraph of Section 4.09, (C) the Senior Credit Facility, this Indenture, the Notes, the Exchange Notes, the 2002 Notes, the 2002 Indenture, the May 2003 Notes, the May 2003 Indenture, the December 2003 Notes, the December 2003 Indenture, the November 2004 Notes and the November 2004 Indenture, (D) applicable law, (E) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred, (F) by reason of customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices, (G) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in this clause (iii) of the preceding paragraph, (H) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced, (I) contracts for the sale of assets, including, without limitation, customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (J) agreements relating to secured Indebtedness otherwise permitted to be incurred pursuant to 4.09 and 4.12 that limit the right of the debtor to dispose of the assets securing such Indebtedness, (K) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business, (L) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business, (M) any encumbrance or restriction with respect to a Foreign Subsidiary pursuant to any agreement relating to Indebtedness Incurred by such Foreign Subsidiary; provided that such Indebtedness was permitted by the terms of the Indenture to be incurred, or (N) any encumbrances or restrictions of the type referred to in clauses (i), (ii) and (iii) of the first paragraph under this covenant imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (A) through (M) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company, no more restrictive, taken as a whole, than those contained in such contract, instrument or obligation prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 4.09 Incurrence of Indebtedness and Issuance Of Preferred Stock.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt) and that the Company shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; provided, however, that the Company and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt) or issue shares of preferred stock if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such preferred stock is issued would have been at least 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.

The provisions of the first paragraph of this Section 4.09 shall not apply to the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(i) the incurrence by the Company of additional Indebtedness under Credit Facilities (and the guarantee thereof by the Guarantors) in an aggregate principal amount outstanding pursuant to this clause (i) at any one time (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder), including all Permitted Refinancing Indebtedness then outstanding incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (i), not to exceed $2,000.0 million less the aggregate amount of all Net Proceeds of Asset Sales applied to repay any such Indebtedness pursuant to Section 4.10;

(ii) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(iii) the incurrence by the Company and the Guarantors of $1.0 billion in aggregate principal amount of each of the Notes and the Exchange Notes and the Subsidiary Guarantees thereof;

(iv) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness then outstanding incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (iv), not to exceed 5% of the Consolidated Tangible Assets of the Company at any time outstanding;

(v) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in connection with the acquisition of assets or a new Restricted Subsidiary; provided that such Indebtedness was incurred by the prior owner of such assets or such Restricted Subsidiary prior to such acquisition by the Company or one of its Restricted Subsidiaries and was not incurred in connection with, or in contemplation of, such acquisition by the Company or one of its Restricted Subsidiaries; and provided further that the principal amount (or accreted value, as applicable) of such Indebtedness, together with any other outstanding Indebtedness incurred pursuant to this clause (v), does not exceed $250.0 million;

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, Indebtedness that was permitted by this Indenture to be incurred (other than intercompany Indebtedness or Indebtedness incurred pursuant to clause (i) above);

(vii) Indebtedness incurred by the Company or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business in respect of workers' compensation claims or self-insurance, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; provided, however, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(viii) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that (A) such Indebtedness is not reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this clause (A)) and (B) the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds including noncash proceeds (the fair market value of such noncash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(ix) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; provided, however, that (A) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes and (B)(1) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or one of its Restricted Subsidiaries and (2) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or one of its

Restricted Subsidiaries shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(x) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations that are incurred for the purpose of (A) fixing, hedging or capping interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Indenture to be outstanding or (B) protecting the Company and its Restricted Subsidiaries against changes in currency exchange rates;

(xi) the guarantee by the Company or any of the Guarantors of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09;

(xii) the incurrence by the Company's Unrestricted Subsidiaries of Non-Recourse Debt, provided, however, that if any such Indebtedness ceases to be Non-Recourse Debt of an Unrestricted Subsidiary, such event shall be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this clause (xii), and the issuance of preferred stock by Unrestricted Subsidiaries;

(xiii) obligations in respect of performance and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiaries in the ordinary course of business;

(xiv) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness then outstanding incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (xiv), not to exceed $200.0 million; and

(xv) the incurrence by Foreign Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness then outstanding incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (xv), not to exceed the greater of (a) 5% of such Foreign Subsidiaries' Consolidated Tangible Assets or (b) $250.0 million.

For purposes of determining compliance with this Section 4.09, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xv) above or is entitled to be incurred pursuant to the first paragraph of this Section 4.09, the Company shall, in its sole discretion, classify, or later reclassify, such item of Indebtedness in any manner that complies with this covenant. Accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall not be deemed to be an incurrence of

Indebtedness for purposes of this Section 4.09.

Section 4.10 Asset Sales.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless (i) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value (evidenced by an Officers' Certificate delivered to the Trustee which will include a resolution of the Board of Directors with respect to such fair market value in the event such Asset Sale involves aggregate consideration in excess of $50.0 million) of the assets or Equity Interests issued or sold or otherwise disposed of and (ii) at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary, as the case may be, consists of cash, Cash Equivalents and/or Marketable Securities; provided, however, that (A) the amount of any Senior Debt of the Company or such Restricted Subsidiary that is assumed by the transferee in any such transaction and (B) any consideration received by the Company or such Restricted Subsidiary, as the case may be, that consists of (1) all or substantially all of the assets of one or more Similar Businesses, (2) other long-term assets that are used or useful in one or more Similar Businesses and (3) Permitted Securities shall be deemed to be cash for purposes of this provision.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds, at its option, (i) to repay Indebtedness under a Credit Facility, (ii) to the acquisition of Permitted Securities, (iii) to the acquisition of all or substantially all of the assets of one or more Similar Businesses, (iv) to the making of a capital expenditure or (v) to the acquisition of other long-term assets in a Similar Business. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Indebtedness under a Credit Facility or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph shall be deemed to constitute "Excess Proceeds". When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Company will be required to make an offer to all Holders of the Notes (an "Asset Sale Offer") and any other Indebtedness that ranks pari passu with the Notes (including, without limitation, the 2002 Notes, the May 2003 Notes, the December 2003 Notes and the November 2004 Notes) that, by its terms, requires the Company to offer to repurchase such Indebtedness with such Excess Proceeds to purchase the maximum principal amount of Notes and pari passu Indebtedness that may be purchased out of such Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase, in accordance with the procedures set forth in this Indenture. To the extent that the aggregate amount of Notes or pari passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company may use any Excess Proceeds for general corporate purposes. If the aggregate principal amount of Notes or pari passu Indebtedness surrendered by Holders thereof exceeds the amount of Excess Proceeds in an Asset Sale Offer, the Company shall repurchase such Indebtedness on a pro rata basis and the Trustee shall select the Notes to be purchased on a pro rata basis. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

Section 4.11 Transactions With Affiliates.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) the Company delivers to the Trustee (A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $20.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors and (B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving

aggregate consideration in excess of $50.0 million, an opinion as to the fairness to the Holders of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The foregoing provisions shall not prohibit: (i) any employment or indemnity agreement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business; (ii) any transaction with a Lehman Investor; (iii) any transaction between or among the Company and/or its Restricted Subsidiaries; (iv) transactions between the Company or any of its Restricted Subsidiaries, on the one hand, and a Permitted Joint Venture, on the other hand, on terms that are not materially less favorable to the Company or the applicable Restricted Subsidiary of the Company than those that could have been obtained from an unaffiliated third party; provided that (A) in the case of any such transaction or series of related transactions pursuant to this clause (iv) involving aggregate consideration in excess of $10.0 million but less than $50.0 million, such transaction or series of transactions (or the agreement pursuant to which the transactions were executed) was approved by the Company's Chief Executive Officer or Chief Financial Officer and (B) in the case of any such transaction or series of related transactions pursuant to this clause (iv) involving aggregate consideration equal to or in excess of $50.0 million, such transaction or series of related transactions (or the agreement pursuant to which the transactions were executed) was approved by a majority of the disinterested members of the Board of Directors; (v) any transaction pursuant to and in accordance with the provisions of the Transaction Documents as the same are in effect on the date of this Indenture; and (vi) any Restricted Payment that is permitted by the provisions of Section 4.07.

Section 4.12 Liens.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) securing Indebtedness on any asset now owned or hereafter acquired, or any income or profits therefrom or assign or convey any right to receive income therefrom, unless all payments due under this Indenture and the Notes are secured on an equal and ratable basis with the Obligations so secured until such time as such Obligations are no longer secured by a Lien.

Section 4.13 Future Subsidiary Guarantees.

If the Company or any of its Subsidiaries shall acquire or create a Subsidiary (other than a Foreign Subsidiary or an Unrestricted Subsidiary) after the date of this Indenture, and such Subsidiary guarantees any other Indebtedness of the Company or any of its Restricted Subsidiaries, then such Subsidiary shall execute a Subsidiary Guarantee, in the form of the Supplemental Indenture attached hereto as Exhibit E, and the Form of Notation on Senior Subordinated Note, attached hereto as Exhibit F, and deliver an opinion of counsel as to the validity of such Subsidiary Guarantee, in accordance with the terms of this Indenture. The Subsidiary Guarantee of each Guarantor will rank pari passu with the guarantees of the 2002 Notes, the May 2003 Notes, the December 2003 Notes, the November 2004 Notes and the Convertible Notes and will be subordinated to the prior payment in full of all Senior Debt of such Guarantor, which would include the guarantees of amounts borrowed under the Senior Credit Facility. The obligations of each Guarantor under its Subsidiary Guarantee will be limited so as not to constitute a fraudulent conveyance under applicable law.

No Guarantor may consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person (except the Company or another Guarantor) unless (i) subject to the provisions of the following paragraph, the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all the obligations of such Guarantor pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes and this Indenture; (ii) immediately after giving effect to such transaction, no Default or Event of Default exists; and (iii) the Company (A) would be permitted by virtue of the Company's pro forma Fixed Charge Coverage Ratio, immediately after giving effect to such transaction, to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09 or (B) would have a pro forma Fixed Charge Coverage Ratio that is greater than the actual Fixed Charge Coverage Ratio for the same four-quarter period without giving pro forma effect to such transaction.

Notwithstanding the foregoing clause (iii), (i) any Guarantor may consolidate with, merge into or transfer all or part of its properties and assets to the Company or to another Guarantor and (ii) any Guarantor may merge

with an Affiliate that has no significant assets or liabilities and was incorporated solely for the purpose of reincorporating such Guarantor in another State of the United States so long as the amount of Indebtedness of the Company and its Restricted Subsidiaries is not increased thereby.

In the event of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the capital stock of any Guarantor, then such Guarantor (in the event of a sale or other disposition, by way of such a merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all of the assets of such Guarantor) will be released and relieved of any obligations under its Subsidiary Guarantee; provided that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of Section 4.10 (it being understood that only such portion of the Net Proceeds as is required to be applied on or before the date of such sale or other

disposition in accordance with the terms of this Indenture needs to be applied in accordance therewith at such time).

The foregoing notwithstanding, a Subsidiary Guarantor will be automatically and unconditionally released and discharged from all of its obligations under this Indenture and its Subsidiary Guarantee if (a) such Subsidiary is released from its Guarantees of, and all pledges and security interests granted in connection with, all other Indebtedness of the Company or any of their Restricted Subsidiaries or (b) the Company designates such Subsidiary as an Unrestricted Subsidiary and such designation complies with the other applicable provisions of the Indenture.

Section 4.14 Corporate Existence.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company and its Restricted Subsidiaries; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Restricted Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.15 Offer To Repurchase Upon Change Of Control.

(a) Upon the occurrence of a Change of Control, each Holder of Notes shall have the right to require the Company to repurchase all or any part (equal to $100,000 or an integral multiple of $1,000 in excess thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Interest thereon, if any, to the date of purchase (the "Change of Control Payment"). Within ten days following any Change of Control, the Company shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"). Such notice, which shall govern the terms of the Change of Control offer, shall state: (i) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment; (ii) the purchase price and the purchase date; (iii) that any Note not tendered will continue to accrue interest; (iv) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date; (v) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date; (vi) that Holders will be entitled to withdraw their election if the Paying Agent

receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and (vii) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $100,000 in principal amount or an integral multiple of $1,000 in excess thereof. The Company shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes in connection with a Change of Control.

(b) On the Change of Control Payment Date, the Company shall, to the extent lawful, (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered and (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company. The Paying Agent shall promptly mail to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note shall be in a principal amount of $100,000 or an integral multiple of $1,000 in excess thereof. Prior to mailing a Change of Control Offer, but in any event within 90 days following a Change of Control, the Company shall either repay all outstanding Senior Debt or offer to repay all Senior Debt and terminate all commitments thereunder of each lender who has accepted such offer or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of Notes required by this Section 4.15. The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

Section 4.16 Anti-Layering; Subordination of Subsidiary Guarantees.

The Company shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt and senior in any respect in right of payment to the Notes. No Guarantor shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of a Guarantor and senior in any respect in right of payment to any of the Subsidiary Guarantees. For purposes of the foregoing, no Indebtedness will be deemed to be subordinated or junior in right of payment to any other Indebtedness solely by virtue of being unsecured.

Section 4.17 Payments For Consent.

Neither the Company nor any of its Subsidiaries shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or is paid

to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 4.18 Changes in Covenants when Notes Rated Investment Grade.

If on any date following the date of this Indenture: (i) the Notes are rated Baa3 or better by Moody's and BBB- or better by S&P (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Company, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by Company as a replacement agency) and (ii) no Default or Event of Default shall have occurred and be continuing, then, beginning on that day and subject to the provisions of the following paragraph, the provisions and covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11 and 4.17 hereof, clauses (iii)(A) and (B) of the third paragraph of Section 4.13 hereof and clauses (iv)(A) and (B) of the first paragraph of Section 5.01 hereof will no longer be in effect.

ARTICLE 5.
SUCCESSORS

Section 5.01 Merger, Consolidation, Or Sale Of Assets.

The Company may not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another Person unless (i) the Company is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Registration Rights Agreement, the Notes and this Indenture pursuant to a supplemental indenture in a form reasonably satisfactory to the Trustee; (iii) immediately after such transaction no Default or Event of Default exists; and (iv) except in the case of a merger of the Company with or into a Wholly Owned Restricted Subsidiary of the Company, the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made, after giving pro forma effect to such transaction as if such transaction had occurred at the beginning of the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such transaction either: (A) would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 or (B) would have a pro forma Fixed Charge Coverage Ratio that is greater than the actual Fixed Charge Coverage Ratio for the same four-quarter period without giving pro forma effect to such transaction.

Notwithstanding clause (iv) in the immediately foregoing paragraph, (i) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and

assets to the Company; and (ii) the Company may merge with an Affiliate that has no significant assets or liabilities and was incorporated solely for the purpose of reincorporating the Company in another State of the United States so long as the amount of Indebtedness of the Company and its Restricted Subsidiaries is not increased thereby.

Section 5.02 Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; provided, however, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets that meets the requirements of Section 5.01 hereof.

Section 5.03 Delivery of Officers' Certificate and Opinion of Counsel

The Company shall deliver to the Trustee an Officers' Certificate and Opinion of Counsel stating that any such consolidation, merger or sale complies with the conditions set forth in this Article 5.

ARTICLE 6.
DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

An "Event of Default" occurs if:

(a) the Company defaults in the payment when due of interest on, or Additional Interest, if any, with respect to, the Notes and such default continues for a period of 30 days (whether or not prohibited by the subordination provisions of this Indenture);

(b) the Company defaults in the payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by the subordination provisions of this Indenture);

(c) the Company fails to comply with any of the provisions of Section 4.10, 4.15, or 5.01 hereof;

(d) the Company fails to observe or perform any other covenant or other agreement in this Indenture or the Notes for 60 days after notice to the Company by the

Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding;

(e) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, which default results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness, the maturity of which has been so accelerated, aggregates $50.0 million or more;

(f) the Company or any of its Restricted Subsidiaries is subject to a final judgments aggregating in excess of $50.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(g) the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due;

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a custodian of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(i) except as permitted herein, any Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid.

The Holders of a majority in aggregate principal amount of the Notes

then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under this Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes.

Section 6.02 Acceleration.

If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately; provided, however, that so long as any Designated Senior Debt is outstanding, such declaration shall not become effective until the earlier of (i) the day which is five Business Days after receipt by the Representatives of Designated Senior Debt of such notice of acceleration or (ii) the date of acceleration of any Designated Senior Debt. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company or any Significant Subsidiary or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce this Indenture or the Notes except as provided in this Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest.

Section 6.03 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 Waiver of Past Defaults.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium or Additional Interest, if any, or interest on, the Notes including in connection with an offer to purchase; provided, however, that the Holders of a majority in aggregate principal amount at maturity of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 Control By Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06 Limitation On Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

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

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

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

Section 6.07 Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium and Additional Interest, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08 Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium and Additional Interest, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 Trustee May File Proofs Of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities.

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

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs

and expenses of collection;

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

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7.
TRUSTEE

Section 7.01 Duties Of Trustee.

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

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

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

(ii) in the absence of bad faith or negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the

Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

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

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

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

(e) No provision of this Indenture shall require the Trustee to expend

or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

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

Section 7.02 Rights Of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in such document.

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

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

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(i) Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

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

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

(l) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including without limitation, strikes, work stoppages, accidents, acts of war or

terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 7.03 Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04 Trustee's Disclaimers.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA Section 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Company shall promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07 Compensation and Indemnity.

The Company shall pay to the Trustee from time to time such compensation as the Company and the Trustee shall from time to time agree in writing for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on

compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company shall indemnify the Trustee or any predecessor Trustee against any and all losses, liabilities or expenses, including taxes (except for taxes based upon the income of the Trustee), incurred by it arising out of or in connection with the acceptance or administration of its duties under this

Indenture, including the costs and expenses of enforcing this Indenture against the Company (including this Section 7.07) and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company under this Section 7.07 shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

Section 7.08 Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of Notes of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

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

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

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

Section 7.09 Successor Trustee by Merger, Etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11 Preferential Collection of Claims Against Company.

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

ARTICLE 8.
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive solely from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, payments in respect of the principal of, premium and Additional Interest, if any, and interest on such Notes when such payments are due, (b) the Company's obligations with respect to such Notes under Sections 2.06, 2.07, 2.10 and 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith and (d) this Article 8. Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from its obligations under Sections 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15 and 4.16 and Article 5 hereof with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other

purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(d) through 6.01(f) hereof shall not constitute Events of Default.

Section 8.04 Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium and Additional Interest, if any, and interest on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the incurrence of Indebtedness all or a portion of the proceeds of which will be used to defease the Notes pursuant to this Article 8 concurrently with such incurrence) or insofar as Sections 6.01(g) or 6.01(h) hereof is concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound;

(f) the Company shall have delivered to the Trustee an opinion of counsel to the effect that on the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Company shall have delivered to the Trustee an Officers'

Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company; and

(h) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 Deposited Money and Government Securities to be held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Additional Interest, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the

opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 Repayment to Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium and Additional Interest, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium and Additional Interest, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as a secured creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in The New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9.

Section 9.01 Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Company and the Trustee may amend or supplement this Indenture or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

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

(c) to provide for the assumption of the Company's obligations to the Holders of the Notes in the case of a merger or consolidation pursuant to Article 5 hereof;

(d) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note;

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

(f) to conform the text of this Indenture or the Notes to any provision of the "Description of the Notes" section of the Company's Offering Memorandum, dated July 27, 2005, related to the initial offering of the Notes, to the extent that such provision in that "Description of the Notes" section was intended to be a verbatim recitation of a provision of this Indenture, the Subsidiary Guarantees or the Notes.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 With Consent of Holders of Notes.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including Section 3.09, 4.10 and 4.15 hereof) and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including consents obtained in connection with a tender offer or exchange offer for the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture affects the Trustee's

own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any indenture supplemental hereto. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to

consent to such supplemental indenture, whether or not such Holders remain Holders after such record date; provided, that unless such consent shall have become effective by virtue of the requisite percentage having been obtained prior to the date which is 180 days after such record date, any such consent previously given shall automatically and without further action by any Holder be canceled and of no further effect.

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

After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note or alter or waive any of the provisions with respect to the redemption of the Notes except as provided above with respect to Sections 4.10 and 4.15 hereof;

(c) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(d) waive a Default or Event of Default in the payment of principal of, or premium and Additional Interest, if any, or interest on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

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

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of or premium and Additional Interest, if any, or interest on the Notes;

(g) waive a redemption payment with respect to any Note (other than a payment required by Sections 3.09, 4.10 and 4.15 hereof); or

(h) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions.

Section 9.03 Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in

exchange for all Notes may issue and the Trustee shall authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 Trustee to Sign Amendments, Etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental indenture until the Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10.
SUBSIDIARY GUARANTEES

Section 10.01 Agreement to Guarantee.

Each of the Guarantors hereby agrees as follows:

(a) Such Guarantor, jointly and severally with all other Guarantors, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee its successors and assigns, regardless of the validity and enforceability of this Indenture, the Notes or the Obligations of the Company under this Indenture or the Notes, that:

(i) the principal of, premium, interest and Additional Interest, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Additional Interest, if any, on the Notes, to the extent lawful, and all other Obligations of the Company to the Holders or the Trustee thereunder or under this Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(ii) in case of any extension of time for payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

(b) Notwithstanding the foregoing, in the event that this Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of the Guarantors under this Indenture shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

Section 10.02 Execution and Delivery of Subsidiary Guarantees.

(a) To evidence its Subsidiary Guarantees set forth in this Indenture, each Guarantor hereby agrees that a notation of such Guarantee substantially in the form attached as Exhibit F to this Indenture shall be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee on or after the date hereof.

(b) Notwithstanding the foregoing, each Guarantor hereby agrees that its Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee.

(c) If an Officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Note on which a Guarantee is endorsed, the Guarantee shall be valid nevertheless.

(d) The delivery of any Note by the Trustee, after the authentication thereof under this Indenture, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of each Guarantor.

(e) Each Guarantor hereby agrees that its obligations hereunder shall be unconditional, regardless of the validity, regularity or enforceability of

the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(f) Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that its Guarantee made pursuant to this Indenture will not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Company or any Guarantor, or any custodian, Trustee, liquidator or other similar official acting in relation to either the Company or such Guarantor, any amount paid by either to the Trustee or such Holder, the Guarantee made pursuant to this Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders and the Trustee, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 of this Indenture for the purposes of the Guarantee made pursuant to this Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby; and

(ii) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of this Indenture, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purpose of the Guarantee made pursuant to this Indenture.

(i) Each Guarantor shall have the right to seek contribution from any other non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders or the Trustee under the Guarantee made pursuant to this Indenture.

Section 10.03 Guarantors May Consolidate, Etc. on Certain Terms.

(a) Except as set forth in Articles 4 and 5 of this Indenture, nothing contained in this Indenture or in the Notes shall prevent any consolidation or merger of any Guarantor with or into the Company or any other Guarantor or shall prevent any transfer, sale or conveyance of the property of any Guarantor as an entirety or substantially as an entirety, to the Company or any other Guarantor.

(b) Except as set forth in Articles 4 and 5 of this Indenture, nothing contained in this Indenture or in the Notes shall prevent any consolidation or merger of any Guarantor with or into a corporation or corporations other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guarantor), or successive consolidations or mergers in which a Guarantor or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of any Guarantor as an entirety or substantially as an entirety, to a corporation other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guarantor) authorized to acquire and operate the same; provided, however, that each Guarantor hereby covenants and agrees that (i) subject to this Indenture, upon any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by such Guarantor, shall be expressly assumed (in the event that such Guarantor is not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which such Guarantor shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists.

(c) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Guarantee made pursuant to this Indenture and the due and punctual performance of all of the covenants and conditions of this Indenture to be

performed by such Guarantor, such successor corporation shall succeed to and be substituted for such Guarantor with the same effect as if it had been named herein as one of the Guarantors. Such successor corporation thereupon may cause to be signed any or all of the Guarantees to be endorsed upon the Notes issuable under this Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

Section 10.04 Releases.

(a) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of a Guarantor), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of this Indenture (it being understood that only such portion of the Net Proceeds as is required to be applied on or before the date of such sale or other disposition in accordance with the terms of this Indenture needs to be applied in accordance therewith at such time). If the assets sold in such sale or other disposition include all or substantially all of the assets of a Guarantor or all of the Capital Stock of a Guarantor, then the Guarantor (in the event of a sale or other disposition of all of the Capital Stock of such Guarantor) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) shall be released from and relieved of its obligations under this Indenture and its Guarantee made pursuant hereto; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of this Indenture (it being understood that only

such portion of the Net Proceeds as is required to be applied on or before the date of such sale or other disposition in accordance with the terms of this Indenture needs to be applied in accordance therewith at such time). Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guarantor, as the case may be, in accordance with the provisions of this Indenture, including, without limitation, Section 4.10 of this Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guarantor from its obligations under this Indenture and its Guarantee made pursuant hereto. If the Guarantor is not released from its obligations under its Guarantee, it shall remain liable for the full amount of principal of and interest and Additional Interest, if any, on the Notes and for the other obligations of such Guarantor under this Indenture.

(b) Upon the designation of a Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Indenture or upon the release of a Guarantor from its Guarantees of, and all pledges and security interests granted in connection with, all other Indebtedness of the Company or any of their Restricted Subsidiaries, such Guarantor shall be released and relieved of its obligations under this Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guarantor as an Unrestricted Subsidiary was made by the Company in accordance with the provisions of this Indenture, including without limitation Section 4.07 hereof, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guarantor from its obligations under its Guarantee. Any Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 10.

(c) Each Guarantor shall be released and relieved of its obligations under this Indenture in accordance with, and subject to, Section 4.18 hereof.

Section 10.05 No Recourse Against Others.

No past, present or future director, officer, employee, incorporator, stockholder or agent of any Subsidiary of the Company, as such, shall have any liability for any obligations of the Company or any Subsidiary of the Company under the Notes, any Guarantees, this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Securities and Exchange Commission that such a waiver is against public policy.

Section 10.06 Subordination of Subsidiary Guarantees

The Guarantee of each Guarantor shall be subordinated to the prior payment in full of all Senior Debt of that Guarantor (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt.

ARTICLE 11.
SUBORDINATION

Section 11.01 Agreement to Subordinate.

The Company agrees, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by the Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 11, to the prior payment in full in cash of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

Section 11.02 Liquidation; Dissolution; Bankruptcy.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company, in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or in any marshalling of the Company's assets and liabilities, the holders of Senior Debt shall be entitled to receive payment in full in cash of all Obligations due in respect of such Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Debt, whether or not an allowable claim in any such proceeding) before the Holders of Notes will be entitled to receive any payment with respect to the Notes, and until all Obligations with respect to Senior Debt are paid in full in cash, any distribution to which the Holders of Notes would be entitled shall be made to the holders of Senior Debt (except, in each case, that Holders of Notes may receive Permitted Junior Securities and payments made from the trust described under Article 8).

Section 11.03 Default on Designated Senior Debt.

The Company may not make any payment or distribution to the Trustee or any Holder in respect of Obligations with respect to the Notes and may not acquire from the Trustee or any Holder any Notes for cash or property (other than (i) securities that are subordinated to at least the same extent as the Notes to (a) Senior Debt and (b) any securities issued in exchange for Senior Debt and (ii) payments and other distributions made from any defeasance trust created pursuant to Section 8.01 hereof) until all principal and other Obligations with respect to the Senior Debt have been paid in full if:

(i) a default in the payment of any principal or other Obligations with respect to Designated Senior Debt occurs and is continuing; or

(ii) a default, other than a payment default, on Designated Senior Debt occurs and is continuing that then permits holders of the Designated Senior Debt as to which such default relates to accelerate its maturity (or that would permit such holders to accelerate with the giving of notice or the passage of time or both) and the Trustee receives a notice of the default (a "Payment Blockage Notice") from the Company or a Representative with respect to such Designated Senior Debt. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until (i) at least 360 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice and

(ii) all scheduled payments of principal, premium and Additional Interest, if any, and interest on the Notes that have come due have been paid in full in cash. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless such default shall have been waived or cured for a period of not less than 90 days.

The Company may and shall resume payments on and distributions in respect of the Notes and may acquire them upon the earlier of:

(i) the date upon which the default is cured or waived, or

(ii) in the case of a default referred to in Section 11.03(ii) hereof, 179 days pass after the date on which the applicable Payment Blockage Notice is received if the maturity of such Designated Senior Debt has not been accelerated,

if this Article otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

Section 11.04 Acceleration of Securities.

If payment of the Securities is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Debt of the acceleration.

Section 11.05 When Distribution Must Be Paid Over.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Notes at a time when the Trustee or such Holder, as applicable, has actual knowledge that such payment is prohibited by Article 11 hereof, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the holders of Senior Debt as their interests may appear or their Representative under the indenture or other agreement (if any) pursuant to which Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 11, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article 11, except if such payment is made as a result of the willful misconduct or negligence of the Trustee.

Section 11.06 Notice by Company.

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Notes to violate this Article 11, but failure to give such notice shall not affect the subordination of the Notes to the Senior Debt as provided in this Article 11.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a person representing himself to be a holder of Senior Debt (or a trustee or agent on behalf of such holder) to establish that such notice has been given by a holder of Senior Debt (or a trustee or agent on behalf of any such holder). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as holder of Senior Debt to participate in any payment or distribution pursuant to this Article 11, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Debt held by such person, the extent to which such person is entitled to participate in such evidence is not furnish, the Trustee may defer any payment which it may be required to make for the benefit of such person pursuant to the terms of this Indenture pending judicial determination as to the rights of such person to receive such payment.

Section 11.07 Subrogation.

After all Senior Debt is paid in full in cash and until the Notes are paid in full, Holders of Notes shall be subrogated (equally and ratably with all other Indebtedness pari passu with the Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Debt. A distribution made under this Article 11 to holders of Senior Debt that otherwise would have been made to Holders of Notes is not, as between the Company and Holders, a payment by the Company on the Notes.

Section 11.08 Relative Rights.

This Article 11 defines the relative rights of Holders of Notes and holders of Senior Debt. Nothing in this Indenture shall:

(i) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms;

(ii) affect the relative rights of Holders of Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(iii) prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes.

If the Company fails because of this Article 11 to pay principal of or interest on a Note on the due date, the failure is still a Default or Event of Default.

Section 11.09 Subordination May Not Be Impaired by Company.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Notes shall be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Section 11.10 Distribution or Notice to Representative.

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 11, the Trustee and the Holders of Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 11.

Section 11.11 Rights of Trustee and Paying Agent.

Notwithstanding the provisions of this Article 11 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless the Trustee shall have received at its Corporate Trust Office at least three Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 11. Only the Company or a Representative may give the notice. Nothing in this Article 11 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. Nothing in this Article 11 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

Section 11.12 Authorization to Effect Subordination.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 11, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the credit agents are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

Section 11.13 Amendments.

The provisions of this Article 11 shall not be amended or modified without the written consent of the holders of at least 75% in aggregate principal amount of the Notes then outstanding if such amendment would adversely affect the rights of Holders of Notes.

ARTICLE 12.
MISCELLANEOUS

Section 12.01 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

Section 12.02 Notices.

Any notice or communication by the Company or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company or any Guarantor:

L-3 Communications Corporation
600 Third Avenue, 34th Floor,
New York, New York 10016
Attention: Senior Vice President-Finance (Fax: 212-805-5440)

With a copy to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Vincent Pagano, Jr. (Fax: 212-455-2502)

If to the Trustee:

The Bank of New York
101 Barclay Street
New York, New York 10286
Attention: Corporate Trust Administration (Fax: 212-815-5704)

The Company or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given, at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt

acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03 Communications By Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

Section 12.04 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05 Statements required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06 Rule by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07 No Personal Liability of Directors, Officers, Employees and Stockholders.

No director, officer, employee, incorporator or stockholder of the Company or any Subsidiary of the Company, as such, shall have any liability for any obligations of the Company or any Subsidiary of the Company under the Notes or the Subsidiary Guarantees and this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Section 12.08 Governing Law.

THIS INDENTURE, THE NOTES AND THE SUBSIDIARY GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 12.09 No Adverse Interpretation of other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10 Successors.

All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13 Table of Contents, Headings, Etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following pages]

SIGNATURES

Dated as of July 29, 2005

L-3 COMMUNICATIONS CORPORATION

By: /s/ Michael T. Strianese

Name: Michael T. Strianese
Title:

GUARANTORS:

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRARED VISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION

MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.,
as Guarantors

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.
as Guarantor

By: L-3 COMMUNICATIONS AIS GP CORPORATION,
as General Partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Authorized Person

THE BANK OF NEW YORK,
as Trustee

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

EXHIBIT A

(Face of Note)

CUSIP _____

6 3/8% Senior Subordinated Notes due 2015

No. ___ $_____

L-3 COMMUNICATIONS CORPORATION

promises to pay to _____

or registered assigns,

the principal sum of _____

Dollars on October 15, 2015.

Interest Payment Dates: April 15 and October 15.

Record Dates: April 1 and October 1.

Dated: July 29, 2005

L-3 COMMUNICATIONS CORPORATION

By:

    Name:
    Title:

By:

    Name:
    Title:

This is one of the Global
Notes referred to in the
within-mentioned Indenture:

Dated: July 29, 2005

THE BANK OF NEW YORK,
   as Trustee

By:

    Name:
    Title:

- ----------

(Back of Note)

6 3/8% Senior Subordinated Notes due 2015

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF L-3 COMMUNICATIONS CORPORATION.(1)

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF L-3 COMMUNICATIONS CORPORATION THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

- ----------
(1) This paragraph should be included only if the Note is issued in global form.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. L-3 Communications Corporation, a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Note at 6 3/8% per annum from July 29, 2005 until maturity and shall pay the Additional Interest payable pursuant to Section 5 of the Registration Rights Agreement referred to below. The Company will pay interest and Additional Interest, if any, semi-annually on April 15 and October 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"), with the same force and effect as if made on the date for such payment. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from 1:00 p.m. July 29, 2005; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date shall be October 15, 2005. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) and Additional Interest, if any, to the Persons who are registered Holders of Notes at the close of business on the April 1 and October 1 next (whether or not a Business Day) preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium and Additional Interest, if any, and interest at the office or agency of the Company maintained for such purpose within The City and State of New York, or, at the option of the Company, payment of interest and Additional Interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders; provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Additional Interest on, all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Company or the Paying Agent if such Holders shall be registered Holders of at least $250,000 in principal amount of the Notes. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Notes under an Indenture dated as of July 29, 2005 ("Indenture") among the Company, the Guarantors named therein and the Trustee.

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION.

(a) Except as set forth in clause (b) of this paragraph 5, the Notes shall not be redeemable at the Company's option prior to October 15, 2010. Thereafter, the Notes shall be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on October 15 of the years indicated below:

YEAR	PERCENTAGE
2010	103.188%
2011	102.125%
2012	101.063%

2013 and thereafter 100.000%

(b) Notwithstanding the foregoing, before October 15, 2008, the Company may on any one or more occasions redeem up to an aggregate of 35% of the Notes originally issued at a redemption price of 106.375% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest thereon, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings by the Company or the net cash proceeds of one or more Equity Offerings by Holdings that are contributed to the Company as common equity capital; provided that at least 65% of the Notes originally issued remain outstanding immediately after the occurrence of each such redemption; and provided, further, that any such redemption must occur within 120 days of the date of the closing of such Equity Offering.

6. MANDATORY REDEMPTION.

Except as set forth in paragraph 7 below, the Company shall not be required to make mandatory redemption payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company shall be required to make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $100,000 or an integral multiple of $1,000 in excess thereof) of each Holder's Notes at a purchase price equal to 101% of aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Payment"). Within 10 days following any Change of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) If the Company or a Subsidiary consummates any Asset Sales, within five Business Days of each date on which the aggregate amount of Excess Proceeds exceeds $25.0 million, the Company will be required to make an offer to all Holders of the Notes (an "Asset Sale Offer") and any other Indebtedness that ranks pari passu with the Notes (including the 2002 Notes, the May 2003 Notes, the December 2003 Notes and the November 2004 Notes) that, by its terms, requires the Company to offer to repurchase such Indebtedness with such Excess Proceeds to purchase the maximum principal amount of Notes and pari passu Indebtedness that may be purchased out of such Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes or pari passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company may use any Excess Proceeds for general corporate purposes. If the aggregate principal amount of Notes or pari passu Indebtedness surrendered by Holders thereof exceeds the amount of Excess Proceeds in an Asset Sale Offer, the Company shall repurchase such Indebtedness on a pro rata basis and the Trustee shall select the Notes to be purchased on a pro rata basis. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $100,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $100,000 and integral multiples of $1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, it need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes, and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes. Without the consent of any Holder of a Note, the Indenture or the Notes may be amended or supplemented to cure

any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's obligations to Holders of the Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, or to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

12. DEFAULTS AND REMEDIES. An "Event of Default" occurs if: (i) default for 30 days in the payment when due of interest on, or Additional Interest with respect to, the Notes (whether or not prohibited by the subordination provisions of the Indenture); (ii) default in payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by the subordination provisions of the Indenture); (iii) failure by the Company to comply with the covenants contained in sections 4.10, 4.15 or 5.01 of the Indenture; (iv) failure by the Company for 60 days after notice to comply with any of its other agreements in the Indenture or the Notes; (v) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries) whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness the maturity of which has been so accelerated, aggregates $50.0 million or more; (vi) failure by the Company or any of its Restricted Subsidiaries to pay final judgments aggregating in excess of $50.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (vii) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; and (viii) except as permitted by the Indenture, any Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid.

If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately; provided, however, that so long as any Designated Senior Debt is outstanding, such declaration shall not become effective until the earlier of (i) the day which is five Business Days after receipt by the Representatives of Designated Senior Debt of such notice of acceleration or (ii) the date of acceleration of any Designated Senior Debt. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company or any Significant Subsidiary or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes.

13. SUBORDINATION. Payment of the principal of, premium and Additional Interest, if any, or interest on the Notes is subordinated to the prior payment

of Senior Debt on the terms provided in the Indenture.

14. TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

15. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any Subsidiary of the Company, as such, shall not have any liability for any obligations of the Company or any Subsidiary of the Company under the Notes, the Indenture or the Subsidiary Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

16. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. ADDITIONAL RIGHTS OF HOLDERS OF TRANSFER RESTRICTED SECURITIES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Transferred Restricted Securities shall have all the rights set forth in the Registration Rights Agreement dated as of July 29, 2005, between the Company and the parties named on the signature pages thereof, or, with respect to any Additional Notes, Holders of Transfer Restricted Securities shall have all the rights set forth in one or more registration rights agreements between the Company and the other parties thereto, relating to rights given by the Company to the purchasers of Additional Notes (collectively, the "Registration Rights Agreement").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

20. GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

L-3 Communications Corporation
600 Third Avenue, 34th Floor,
New York, New York 10016
Attention: Senior Vice President-Finance (Fax: 212-805-5440)

ASSIGNMENT FORM

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee.

Option of Holder to Elect Purchase

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the box below:

[_] Section 4.10 [_] Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased: $_____

Date: _____ Your Signature:

(Sign exactly as your name appears on the Note)

Tax Identification No.: _____

Signature Guarantee.

Schedule of Exchanges of Interests in the Global Note

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

L-3 Communications Corporation
600 Third Avenue, 34th Floor,
New York, New York 10016

[Registrar address block]

Re: 6 3/8% Senior Subordinated Notes due 2015.

Reference is hereby made to the Indenture, dated as of July 29, 2005 (the "Indenture"), among L-3 Communications Corporation, as issuer (the "Company"), the Guarantors party thereto and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "Transferor") owns and proposes to transfer the

Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $_____ in such Note[s] or interests (the "Transfer"), to _____ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [_] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF BOOK-ENTRY INTERESTS IN THE 144A GLOBAL NOTE OR DEFINITIVE NOTES PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the Book-Entry Interests or Definitive Notes are being transferred to a Person that the Transferor reasonably believes is purchasing the Book-Entry Interests or Definitive Notes for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. [_] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF BOOK-ENTRY INTERESTS IN THE TEMPORARY REGULATION S GLOBAL NOTE, THE REGULATION S GLOBAL NOTE OR DEFINITIVE NOTES PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the

transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. [_] CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF BOOK-ENTRY INTERESTS IN THE IAI GLOBAL NOTE OR DEFINITIVE NOTES PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to Book-Entry Interests in Restricted Global Notes and Definitive Notes bearing the Private Placement Legend and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any State of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [_] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

OR

(b) [_] such Transfer is being effected to the Company or a subsidiary thereof,

OR

(c) [_] such Transfer is being effected pursuant to an effective registration statement under the Securities Act;

OR

(d) [_] such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the

Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that the Transfer complies with the transfer restrictions applicable to Book-Entry Interests in a Restricted Global Note or Definitive Notes bearing the Private Placement Legend and the requirements of the exemption claimed, which certification is supported by (x) if such Transfer is in respect of a principal amount of Notes at the time of Transfer of $250,000 or more, a certificate executed by the Transferee in the form of Exhibit D to the Indenture, or (y) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that (1) such Transfer is in compliance with the Securities Act and (2) such Transfer complies with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4. [_] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF BOOK-ENTRY INTERESTS IN THE UNRESTRICTED GLOBAL NOTE OR IN DEFINITIVE NOTES THAT DO NOT BEAR THE PRIVATE PLACEMENT LEGEND.

(a) [_] CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interests or Definitive Notes will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Definitive Notes bearing the Private Placement Legend and in the Indenture.

(b) [_] CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interests or Definitive Notes will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Definitive Notes bearing the Private Placement Legend and in the Indenture.

(c) [_] CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interests or Definitive Notes will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Definitive Notes bearing the Private Placement Legend and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By:

Name:
Title:

Dated: _____, ____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (A) OR (B)]

(a) [_] Book-Entry Interests in the:

(i) [_] 144A Global Note (CUSIP _____), or

(ii) [_] Regulation S Global Note (CUSIP _____), or

(iii) [_] IAI Global Note (CUSIP _____); or

(b) [_] Restricted Definitive Notes.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) [_] Book-Entry Interests in the:

(i) [_] 144A Global Note (CUSIP _____), or

(ii) [_] Regulation S Global Note (CUSIP _____), or

(iii) [_] IAI Global Note (CUSIP _____); or

(iv) [_] Unrestricted Global Note (CUSIP _____); or

(b) [_] Restricted Definitive Notes; or

(c) [_] Definitive Notes that do not bear the Private Placement Legend, in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

L-3 Communications Corporation
600 Third Avenue, 34th Floor,
New York, New York 10016
Attention: Vice President-Finance (Fax: 212-805-5440)

Re: 6 3/8% Senior Subordinated Notes due 2015

(CUSIP [_____])

Reference is hereby made to the Indenture, dated as of July __, 2005 (the "Indenture"), among L-3 Communications Corporation, as issuer (the "Company"), the Guarantors party thereto and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "Holder") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $_____ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Holder hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR RESTRICTED BOOK-ENTRY INTERESTS FOR DEFINITIVE NOTES THAT DO NOT BEAR THE PRIVATE PLACEMENT LEGEND OR UNRESTRICTED BOOK-ENTRY INTERESTS

(a) [_] CHECK IF EXCHANGE IS FROM RESTRICTED BOOK-ENTRY INTEREST TO UNRESTRICTED BOOK-ENTRY INTEREST. In connection with the Exchange of the Holder's Restricted Book-Entry Interest for Unrestricted Book-Entry Interests in an equal principal amount, the Holder hereby certifies (i) the Unrestricted Book-Entry Interests are being acquired for the Holder's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Book-Entry Interests are being acquired in compliance with any applicable blue sky securities laws of any state

of the United States.

(b) [_] CHECK IF EXCHANGE IS FROM RESTRICTED BOOK-ENTRY INTEREST TO DEFINITIVE NOTES THAT DO NOT BEAR THE PRIVATE PLACEMENT LEGEND. In connection with the Exchange of the Holder's Restricted Book-Entry Interests for Definitive Notes that do not bear the Private Placement Legend, the Holder hereby certifies (i) the Definitive Notes are being acquired for the Holder's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the

Securities Act and (iv) the Definitive Notes are being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) [_] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTES TO UNRESTRICTED BOOK-ENTRY INTERESTS. In connection with the Holder's Exchange of Restricted Definitive Notes for Unrestricted Book-Entry Interests, (i) the Unrestricted Book-Entry Interests are being acquired for the Holder's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Book-Entry Interests are being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) [_] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTES TO DEFINITIVE NOTES THAT DO NOT BEAR THE PRIVATE PLACEMENT LEGEND. In connection with the Holder's Exchange of a Restricted Definitive Note for Definitive Notes that do not bear the Private Placement Legend, the Holder hereby certifies (i) the Definitive Notes that do not bear the Private Placement Legend are being acquired for the Holder's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act , (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Notes are being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR RESTRICTED BOOK-ENTRY INTERESTS FOR RESTRICTED DEFINITIVE NOTES OR RESTRICTED BOOK-ENTRY INTERESTS

(a) [_] CHECK IF EXCHANGE IS FROM RESTRICTED BOOK-ENTRY INTERESTS TO RESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Holder's Restricted Book-Entry Interest for Restricted Definitive Notes with an equal principal amount, (i) the Restricted Definitive Notes are being acquired for the Holder's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Notes issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Notes and in the Indenture and the Securities Act.

(b) [_] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTES TO RESTRICTED BOOK-ENTRY INTERESTS. In connection with the Exchange of the Holder's Restricted Definitive Note for Restricted Book-Entry Interests in the [CHECK ONE] [_] 144A Global Note, [_] Regulation S Global Note, [_] IAI Global Note with an equal principal amount, (i) the Definitive Notes are being acquired for the Holder's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Definitive Note and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon

consummation of the proposed Exchange in accordance with the terms of the Indenture, the Book-Entry Interests issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant

Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By:

Name:
Title:

Dated: _____, ____

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

L-3 Communications Corporation
600 Third Avenue, 34th Floor,
New York, New York 10016
Attention: Vice President-Finance (Fax: 212-805-5440)

Re: 6 3/8% Senior Subordinated Notes due 2015

Reference is hereby made to the Indenture, dated as of July 29, 2005 (the "Indenture"), among L-3 Communications Corporation, as issuer (the "Company"), the Guarantors party thereto and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $_____ aggregate principal amount at maturity of:

(a) [_] Book-Entry Interests, or

(b) [_] Definitive Notes,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Notes, at the time of transfer of less than $250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144 under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Notes or Book-Entry

Interests from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or Book-Entry Interests, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect. We further understand that any subsequent transfer by us of the Notes or Book-Entry Interests therein acquired by us must be effected through one of the Placement Agents.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or Book-Entry Interests purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

_____
[Insert Name of Accredited Investor]

By:

Name:
Title:

Dated: _____, ____

EXHIBIT E

FORM OF SUPPLEMENTAL INDENTURE TO BE DELIVERED
BY GUARANTEEING SUBSIDIARY

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of _____, among _____ (the "Guaranteeing Subsidiaries"), each a direct or indirect subsidiary of L-3 Communications Corporation (or its permitted successor), a Delaware corporation (the "Company"), the Company and The Bank of New York, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of July 29, 2005 providing for the issuance of an unlimited amount of 6 3/8% Senior Subordinated Notes due 2015 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations (as defined in the Indenture) under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Such Guaranteeing Subsidiary, jointly and severally with all other current and future guarantors of the Notes (collectively, the "Guarantors" and each, a "Guarantor"), unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, regardless of the validity and enforceability of the Indenture, the Notes or the Obligations of the Company under the Indenture or the Notes, that:

(i) the principal of, premium, interest and Additional Interest, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Additional Interest, if any, on the Notes, to the extent lawful, and all other Obligations of the Company to

the Holders or the Trustee thereunder or under the Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(ii) in case of any extension of time for payment or renewal of any Notes or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

(b) Notwithstanding the foregoing, in the event that this Subsidiary Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guaranteeing Subsidiary under this Supplemental Indenture and its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

3. EXECUTION AND DELIVERY OF SUBSIDIARY GUARANTEES.

(a) To evidence its Subsidiary Guarantee set forth in this Supplemental Indenture, such Guaranteeing Subsidiary hereby agrees that a notation of such Subsidiary Guarantee substantially in the form of Exhibit F to the Indenture shall be endorsed by an officer of such Guaranteeing Subsidiary on each Note authenticated and delivered by the Trustee after the date hereof.

(b) Notwithstanding the foregoing, such Guaranteeing Subsidiary hereby agrees that its Subsidiary Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

(c) If an Officer whose signature is on this Supplemental Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee shall be valid nevertheless.

(d) The delivery of any Note by the Trustee, after the authentication thereof under the Indenture, shall constitute due delivery of the Subsidiary Guarantee set forth in this Supplemental Indenture on behalf of each Guaranteeing Subsidiary.

(e) Each Guaranteeing Subsidiary hereby agrees that its Obligations hereunder shall be unconditional, regardless of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(f) Each Guaranteeing Subsidiary hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest,

notice and all demands whatsoever and covenants that its Subsidiary Guarantee made pursuant to this Supplemental Indenture will not be discharged except by complete performance of the Obligations contained

in the Notes and the Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Company or any Guaranteeing Subsidiary, or any custodian, Trustee, liquidator or other similar official acting in relation to either the Company or such Guaranteeing Subsidiary, any amount paid by either to the Trustee or such Holder, the Subsidiary Guarantee made pursuant to this Supplemental Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) Each Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations guaranteed hereby. Each Guaranteeing Subsidiary further agrees that, as between such Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand:

(i) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of the Subsidiary Guarantee made pursuant to this Supplemental Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby; and

(ii) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

(i) Each Guaranteeing Subsidiary shall have the right to seek contribution from any other non-paying Guaranteeing Subsidiary so long as the exercise of such right does not impair the rights of the Holders or the Trustee under the Subsidiary Guarantee made pursuant to this Supplemental Indenture.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) Except as set forth in Articles 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into the Company or any other Guarantor or shall prevent any transfer, sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company or any other Guarantor.

(b) Except as set forth in Articles 4 and 5 of the Indenture, nothing contained in the Indenture, this Supplemental Indenture or in the Notes shall prevent any consolidation or merger of any Guaranteeing Subsidiary with or into a corporation or corporations other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of any Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company or any other Guarantor (in each case,

whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that each Guaranteeing Subsidiary hereby covenants and agrees that (i) subject to the Indenture, upon any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiaries, shall be expressly assumed (in the event that such Guaranteeing Subsidiary is not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which such Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists.

(c) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in

form to the Trustee, of the Subsidiary Guarantee made pursuant to this Supplemental Indenture and the due and punctual performance of all of the covenants and conditions of the Indenture and this Supplemental Indenture to be performed by such Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for such Guaranteeing Subsidiary with the same effect as if it had been named herein as the Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture and this Supplemental Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture and this Supplemental Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

5. RELEASES.

(a) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of a Guaranteeing Subsidiary), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture (it being understood that only such portion of the Net Proceeds as is required to be applied on or before the date of such sale or other disposition in accordance with the terms of this Indenture needs to be applied in accordance therewith at such time).

If the assets sold in such sale or other disposition include all or substantially all of the assets of a Guaranteeing Subsidiary or all of the Capital Stock of a Guaranteeing Subsidiary, then the Guaranteeing Subsidiary (in the event of a sale or other disposition of all of the Capital Stock of such Guaranteeing Subsidiary) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guaranteeing Subsidiary) shall be released from and relieved of its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture (it being understood that only such portion of the Net Proceeds as is required to be applied on or before the date of such sale or other disposition in accordance with the terms of this Indenture needs to be applied in accordance therewith at such time). Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guaranteeing Subsidiary, as the case may be, in accordance with the provisions of the Indenture and this Supplemental Indenture, including without limitation, Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guaranteeing Subsidiary from its Obligations under this Supplemental Indenture and its Subsidiary Guarantee made pursuant hereto. If the Guaranteeing Subsidiary is not released from its Obligations under its Subsidiary Guarantee, it shall remain liable for the full amount of principal of and interest on the Notes and for the other Obligations of such Guaranteeing Subsidiary under the Indenture as provided in this Supplemental Indenture.

(b) Upon the designation of a Guarantor as an Unrestricted Subsidiary in accordance with the terms of the Indenture or upon the release of a Guarantor from its Guarantees of, and all pledges and security interests granted in connection with, all other Indebtedness of the Company or any of their Restricted Subsidiaries, such Guaranteeing Subsidiary shall be released and relieved of its Obligations under its Subsidiary Guarantee and this Supplemental Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.07 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its Obligations under its Subsidiary Guarantee. Any Guaranteeing Subsidiary not released from its Obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the

other Obligations of any Guaranteeing Subsidiary under the Indenture as provided herein.

(c) Each Guaranteeing Subsidiary shall be released and relieved of its obligations under this Supplemental Indenture in accordance with, and subject to, Section 4.13 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of any Subsidiary of the Company, as such, shall have any liability for any Obligations of the Company or any Subsidiary of the Company under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such Obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. ANTI-LAYERING; SUBORDINATION OF SUBSIDIARY GUARANTEES. No Guaranteeing Subsidiary shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of a Guaranteeing Subsidiary and senior in any respect in right of payment to any of the Subsidiary Guarantees. Notwithstanding the foregoing sentence, the Subsidiary Guarantee of each Guaranteeing Subsidiary shall be subordinated to the prior payment in full of all Senior Debt of that Guaranteeing Subsidiary (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt. For purposes of the foregoing, no Indebtedness will be deemed to be subordinated or junior in right of payment to any Indebtedness solely by virtue of being unsecured.

8. NEW YORK LAW TO GOVERN. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

11. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated: _____, _____

L-3 COMMUNICATIONS CORPORATION

By:

Name:
Title:

GUARANTEEING SUBSIDIARIES:

[EXISTING GUARANTORS]
[ADDITIONAL GUARANTORS]

Dated: _____, _____

THE BANK OF NEW YORK,
as Trustee

By:

Name:

Title:

EXHIBIT F

FORM OF NOTATION ON SENIOR SUBORDINATED NOTE RELATING TO SUBSIDIARY GUARANTEE

Pursuant to the Indenture (the "Indenture"), dated as of July 29, 2005, among L-3 Communications Corporation, the Guarantors party thereto (each a "Guarantor" and collectively the "Guarantors") and The Bank of New York, as trustee (the "Trustee"), each Guarantor (i) has jointly and severally unconditionally guaranteed (a) the due and punctual payment of the principal of, and premium, interest and Additional Interest on the Notes, whether at maturity or an interest payment date, by acceleration, call for redemption or otherwise, (b) the due and punctual payment of interest on the overdue principal and premium of, and interest and Additional Interest on the Notes, and (c) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise and (ii) has agreed to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under the Subsidiary Guarantee (as defined in the Supplemental Indenture). Notwithstanding the foregoing, the Subsidiary Guarantee of each Guarantor shall be subordinated to the prior payment in full of all Senior Debt (as defined in the Indenture) of that Guarantor (in the same manner and to the same extent that the Notes are subordinated to Senior Debt), which shall include all guarantees of Senior Debt.

Notwithstanding the foregoing, in the event that the Subsidiary Guarantee of any Guarantor would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guarantor under its Subsidiary Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

No past, present or future director, officer, employee, agent, incorporator, stockholder or agent of any Subsidiary of the Company, as such, shall have any liability for any Obligations of the Company or any Subsidiary of the Company under the Notes, any Subsidiary Guarantee, the Indenture, any supplemental indenture delivered pursuant to the Indenture by such Guarantor, or for any claim based on, in respect of or by reason of such Obligations or their creation. Each Holder by accepting a Note waives and releases all such liability.

The Subsidiary Guarantee shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

The Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which the Subsidiary Guarantee is noted has been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. Capitalized terms used herein have the meaning assigned to them in the Indenture.

IN WITNESS WHEREOF, the Guarantors hereto have caused this Notation on the 6 3/8% Senior Subordinated Note due 2015 to be duly executed, all as of the date first above written.

Dated: _____, _____

GUARANTEEING SUBSIDIARIES:

[EXISTING GUARANTORS]
[ADDITIONAL GUARANTORS]

Exhibit 10.70

EXECUTION VERSION

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INDENTURE

AMONG

L-3 COMMUNICATIONS HOLDINGS, INC.,
THE COMPANY

AND

EACH OF THE GUARANTORS PARTY HERETO

AND

THE BANK OF NEW YORK,
AS TRUSTEE

3.00% CONVERTIBLE CONTINGENT DEBT SECURITIES (CODES)
DUE 2035

DATED AS OF JULY 29, 2005

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CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	5.11
(a)(2)	5.11
(a)(3)	n/a
(a)(4)	n/a
(a)(5)	5.11
(b)	5.3; 5.11
(c)	n/a
311(a)	5.12
(b)	5.12
(c)	n/a
312(a)	2.10
(b)	15.3
(c)	15.3
313(a)	5.7
(b)(1)	n/a
(b)(2)	5.7
(c)	5.7; 15.2
(d)	5.7
314(a)(1), (2), (3)	9.6; 15.6
(a)(4)	9.6; 9.7; 15.6
(b)	n/a
(c)(1)	15.5
(c)(2)	15.5
(c)(3)	n/a
(d)	n/a
(e)	15.6
(f)	n/a
315(a)	5.1(a)
(b)	5.6; 15.2
(c)	5.1(b)
(d)	5.1(c)
(e)	4.14
316(a)(last sentence)	2.13
(a)(1)(A)	4.5
(a)(1)(B)	4.4
(a)(2)	n/a
(b)	4.7
(c)	1.1

317(a)(1)	4.8
(a)(2)	4.9
(b)	2.5
318(a)	15.1
(b)	n/a
(c)	15.1

- ----------
"n/a" means not applicable.

*This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture.

TABLE OF CONTENTS

EXHIBITS

This INDENTURE dated as of July 29, 2005, among L-3 Communications Holdings, Inc, a Delaware corporation (the "Company"), and L-3 Communications Corporation, a Delaware corporation ("L-3 Communications"), the other guarantors named on the signature page hereto (the "Guarantors"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the creation of an issue of its 3.00% Convertible Contingent Debt Securities (CODES) due 2035 guaranteed by the Guarantors (herein called the "Securities") of substantially the tenor and amount hereinafter set forth, and to provide therefor the Company and the Guarantors have duly authorized the execution and delivery of this Indenture.

All things necessary to make the Securities, when the Securities are executed by the Company and the Guarantors and authenticated and delivered hereunder, the valid and binding obligations of the Company and the Guarantors, and to make this Indenture a valid and binding agreement of the Company and the Guarantors, in accordance with their and its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 DEFINITIONS.

For all purposes of this Indenture and the Securities, the following terms are defined as follows:

"Act," when used with respect to any Holder of a Security, has the meaning specified in Section 15.4(a).

"Additional Interest" means all additional interest then owing pursuant to Section 3 of the Registration Rights Agreement.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that Beneficial Ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Agent" means any party authorized to act on the behalf of a Holder or Person.

"Agent Members" has the meaning stated in Section 2.8(a).

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Beneficial Owner" shall mean any person who is considered a beneficial owner of a security in accordance with Rule 13(d)(3) promulgated by the SEC under the Exchange Act.

"Board of Directors" means either the Board of Directors of the Company or, except with respect to paragraph (2) under the definition of a "Fundamental Change," any committee of that board empowered to act for it with respect to this Indenture.

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

"Business Day," when used with respect to any Place of Payment or Place of Conversion, means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in that Place of Payment or Place of Conversion, as the case may be, are authorized or obligated by law to close.

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that

confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Closing Sale Price" of the Common Stock on any Trading Day means the closing sale price of such security (or if no closing sale price is reported, the average of the closing bid and closing ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported in composite transactions for the principal U.S. securities exchange on which the Common Stock is traded or, if the Common Stock is not listed on a U.S. national or regional securities exchange, as reported by the Nasdaq System or by Pink Sheets LLC. In the absence of such a quotation, the closing sale price shall be determined by a nationally recognized securities dealer retained by the Company for that purpose.

"Common Stock" means any stock of any class of the Company that has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and that is not subject to redemption by the Company. However, subject to the provisions of Section 12.12, shares issuable on conversion of Securities shall include only shares of the class designated as Common Stock, par value $0.01 per share, of the Company at the date of this Indenture or shares of any class or classes resulting from any reclassification or reclassifications thereof and that have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and that are not subject to redemption by the Company; provided, however, that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Company" means the corporation named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Order" means a written order signed in the name of the Company by both (1) the Chairman of the Board, the Chief Executive Officer, the President or a Vice President and (2) so long as not the same as the officer signing pursuant to clause (1), the Chief Financial Officer, the Controller, the Treasurer or the Secretary of the Company, and delivered to the Trustee.

"Contingent Interest" has the meaning specified in Section 2.1(d).

"Contingent Payment Regulations" has the meaning specified in Section 9.7.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of the Board of Directors on the date of this Indenture; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of the Board at the time of such nomination or election.

"Conversion Agent" means any Person authorized by the Company to convert Securities in accordance with Article 12.

"Conversion Date" means, with respect to any Holder, the date on which such Holder has satisfied all the requirements to convert its Securities. The Securities shall be deemed to be converted immediately prior to 5:00 p.m., New York City time, on the Conversion Date.

"Conversion Notice" has the meaning set forth in Section 12.2.

"Conversion Obligation" means the Company's obligation to deliver cash, and in certain circumstances, cash and shares of Common Stock to a Holder upon conversion of its Securities in accordance with the terms of this Indenture.

"Conversion Period" means the 20 Trading Day period:

(1) if the Company has called the Securities delivered for conversion for redemption, ending one Trading Day immediately preceding the Redemption Date;

(2) with respect to Conversion Notices received during the period beginning 25 Trading Days preceding the Maturity Date and ending one Trading Day preceding the Maturity Date, ending one Trading Day immediately preceding the Maturity Date;

(3) with respect to conversions in connection with a Fundamental Change, ending one Trading Day prior to the Fundamental Change Repurchase Date relating to such Fundamental Change; and

(4) in all other cases, beginning on the third Trading Day following the Company's receipt of the Holder's Conversion Notice.

"Conversion Price" means, on any date of determination, $1,000 divided by the Conversion Rate as of such date.

"Conversion Rate" means the number of shares of Common Stock into which each $1,000 principal amount of Securities is convertible, which is initially 9.7741, subject to adjustments pursuant to Article 12.

"Conversion Value" means, for every $1,000 principal amount of Securities being converted, an amount equal to the sum of the daily Conversion Values for each of the 20 Trading Days in the Conversion Period, where the "daily conversion value" for any Trading Day equals 1/20th of:

(1) the Conversion Rate in effect on that day multiplied by

(2) the Closing Sale Price of the Common Stock on that day,

provided that, with respect to any conversion (i) during the period beginning 25 Trading Days preceding the Maturity Date and ending one Trading Day preceding the Maturity Date or (ii) of Securities called for redemption, if the Closing Sale Price of the Common Stock on the conversion date exceeds the then applicable Conversion Price, the Conversion Value will not be less than $1,000.

"Corporate Trust Office" means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the dated hereof is located at 101 Barclay Street, Floor 8 West, New York, New York 10286, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

"corporation" means any corporation, association, limited liability company, company and business trust.

"Current Market Price" has the meaning set forth in Section 12.4(g).

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

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

"Defaulted Interest" has the meaning specified in Section 2.17.

"Depositary" means The Depository Trust Company, its nominees and their respective successors.

"Designated Senior Debt" means:

(1) any Indebtedness outstanding under the Senior Credit Facility; and

(2) any other Senior Debt permitted under this Indenture, the principal amount of which is $25.0 million or more and that has been designated by the Company as "Designated Senior Debt."

"Dollar," "U.S. Dollar" or "U.S. $" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"DTC" means the Depository Trust Company.

"DTC Participants" means securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations that have direct access to the DTC.

"Effective Date" has the meaning specified in Section 12.15.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Event of Default" has the meaning specified in Section 4.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Subsidiary" means (i) any domestic Subsidiary of the Company that is not a Guarantor and (ii) any Subsidiary of the Company or of L-3 Communications that has been designated by the Board of Directors as an "Unrestricted Subsidiary" pursuant to a Board Resolution, but only to the extent that such Subsidiary has been designated as, or, if the indentures governing the Outstanding Senior Subordinated Notes are no longer in effect, could have been designated as, an "Unrestricted Subsidiary" pursuant to the terms of the indentures governing any of the Outstanding Senior Subordinated Notes as the same are in effect on the date of this Indenture (whether or not those indentures are subsequently amended, waived, modified or terminated or expire and whether or not any of those Outstanding Senior Subordinated Notes continue to be outstanding).

"Ex-Dividend Time" means, with respect to any issuance or distribution on shares of Common Stock, the first date on which the shares of Common Stock trade regular way on the principal securities market on which the shares of Common Stock are then traded without the right to receive such issuance or distribution.

"Expiration Time" has the meaning specified in Section 12.4(f).

"Fair Market Value" shall mean the amount which a willing buyer would pay a willing seller in an arm's length transaction which, in the absence of a current market for such transaction, shall be determined in good faith by the Board of Directors.

"Foreign Subsidiary" means a Subsidiary of the Company that was not organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof or has not guaranteed or otherwise provided credit support for any Indebtedness of the Company.

"Fundamental Change" means the occurrence of any of the following after the date of this Indenture:

(1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person," other than the Principals and their Related Parties, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company (measured by voting power rather than number of shares); or

(2) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(3) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(4) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries (other than the Excluded Subsidiaries) taken as a whole to any "person" (as such term is defined in Section 13(d)(3) of the Exchange Act) other than the Principals or their Related Parties; or

(5) the termination of trading of the Company's Common Stock, which will be deemed to have occurred if the Common Stock or other

Common Stock into which the Securities are convertible is neither listed for trading on a United States national securities exchange nor approved for listing on the Nasdaq National Market or any similar United States system of automated dissemination of quotations of securities prices, and no American Depositary Shares or similar instruments for such common stock are so listed or approved for listing in the United States.

Notwithstanding the foregoing, a Fundamental Change will be deemed not to have occurred if more than 90% of the consideration in the transaction or transactions constituting a Fundamental Change (other than cash payments for fractional shares and cash payments made in respect of dissenters' appraisals rights) which would other constitute a Fundamental Change under clauses (1) or (4) above consists of shares of common stock, depository receipts or other certificates representing common equity interests traded or to be traded immediately following such transaction on a national securities exchange or quoted on the Nasdaq National Market and, as a result of the transaction or transactions, the Securities become, subject to Section 12.11, convertible solely into such common stock, depository receipts or other certificates representing common equity interests (and any rights attached thereto).

"Fundamental Change Company Notice" has the meaning specified in Section 11.3.

"Fundamental Change Repurchase Date" has the meaning specified in Section 11.2.

"Fundamental Change Repurchase Price" has the meaning specified in Section 11.2.

"Fundamental Change Repurchase Right" has the meaning specified in Section 11.2.

"GAAP" has the meaning specified in Section 1.3.

"Global Security" has the meaning specified in Section 2.2(b).

"Guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Guarantees" means the obligations of the Guarantors described herein.

"Guarantors" means each person named on the signature page hereto, and each Subsidiary of the Company that is required to execute a Guarantee in accordance with the provisions of this Indenture, their respective successors and assigns, other than any Guarantor released from its Guarantee in accordance with the terms of this Indenture.

"Guarantor Senior Debt" means:

(1) all Indebtedness of L-3 Communications or any of its subsidiaries outstanding under the Senior Credit Facility and all Hedging Obligations with respect thereto;

(2) any other Indebtedness incurred by L-3 Communications or any of its subsidiaries, in each case, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Guarantees; and

(3) all Obligations with respect to the foregoing.

Notwithstanding anything to the contrary in the foregoing, Guarantor Senior Debt will not include:

(1) any liability for federal, state, local or other taxes owed or owing by L-3 Communications or any of its subsidiaries;

(2) any Indebtedness of L-3 Communications to any of its subsidiaries or other affiliates;

(3) any trade payables;

(4) any Indebtedness that is incurred in violation of the indentures governing the Outstanding Senior Subordinated Notes; or

(5) any Obligations with respect to the Outstanding Senior Subordinated Notes of L-3 Communications (and the related guarantees).

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (i) currency exchange or interest rate swap agreements, interest rate cap agreements and currency exchange or interest rate collar agreements and (ii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or interest rates.

"Holder," when used with respect to any Security, including any Global Security, means the Person in whose name the Security is registered in the Register.

"Indebtedness" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing capital lease obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all indebtedness of others secured by a Lien on any asset of such Person (whether or not such indebtedness is assumed by such Person) and, to the extent not otherwise included, the Guarantee by such Person of any indebtedness of any other Person.

"Indenture" means this Indenture, as supplemented from time to time.

"Initial Purchasers" means Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston Corporation, Banc of America Securities LLC, Citigroup Global Markets Inc., Jefferies & Co., Inc., SG Cowen & Co., LLC, Sun Trust Capital Markets, Inc. and Wachovia Capital Markets, LLC.

"Interest Payment Date" means each of February 1 and August 1; provided, however, that if any such date is not a Business Day, the Interest Payment Date shall be the next succeeding Business Day and no additional interest (including Contingent Interest and Additional Interest, if any) shall accrue on the Securities in respect of such additional period.

"Interest Rate" means 3.00% per annum.

"L-3 Communications" means L-3 Communications Corporation, a Delaware corporation and a wholly-owned subsidiary of the Company.

"Lehman Investor" means Lehman Brothers Holdings Inc. and any of its Affiliates.

"Lien" means, with respect to any asset, any mortgage, Lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Maturity Date" means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by acceleration, conversion, call for redemption, exercise of a Repurchase Right or otherwise.

"Nasdaq National Market" means the National Association of Securities Dealers Automated Quotation National Market or any successor national securities exchange or automated over-the-counter trading market in the United States.

"Non-Stock Change of Control" means any transaction described under clause (1) or clause (4) under the definition of Fundamental Change pursuant to which 10% or more of the consideration for the Common Stock (other than cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights) in such transaction consists of cash or securities (or other property) that are not shares of common stock, depositary receipts or other

certificates representing common equity interests traded or scheduled to be traded immediately following such transaction on a U.S. national securities exchange or The Nasdaq National Market.

"Obligations" means any principal, Contingent Interest (if any) and Additional Interest (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization, whether or not a claim for post-filing interest is allowed in such proceeding), penalties, fees, charges, expenses, indemnifications, reimbursement obligations, damages, guarantees and other liabilities or amounts payable under the documentation governing any Indebtedness or in respect thereto.

"Offering Memorandum" means the offering memorandum, dated July 27, 2005, related to the offering of the Securities.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary or any Vice President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 15.5 and 15.6 hereof.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or a Subsidiary of the Company.

"Optional Repurchase Date" means the day on which the Company repurchases Securities pursuant to Section 11.1.

"Optional Repurchase Price" has the meaning specified in Section 11.1.

"Optional Repurchase Right" has the meaning specified in Section 11.1.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except Securities:

(1) previously canceled by the Trustee or delivered to the Trustee for cancellation;

(2) for the payment or redemption of which money in the necessary amount has been previously deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided, however, that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture;

(3) that have been paid in exchange for or in lieu of other Securities which have been authenticated and delivered pursuant to this Indenture, other than any such

Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid Obligations of the Company; or

(4) previously repurchased or converted.

"Outstanding Senior Subordinated Notes" means the 7 5/8% Senior Subordinated Notes due 2012, 6 1/8% Senior Subordinated Notes due 2013, the 6 1/8% Senior Subordinated Notes due 2014, 5 7/8% Senior Subordinated Notes due 2015 and the 6 3/8% Senior Subordinated Notes due 2015 issued by L-3 Communications and guaranteed by certain of its Subsidiaries.

"Paying Agent" has the meaning specified in Section 2.5.

"Payment Blockage Notice" has the meaning specified in Section 13.3(ii).

"Permitted Junior Securities" means Equity Interests in a Guarantor or debt securities that are subordinated to all Guarantor Senior Debt of such Guarantor (and any debt securities issued in exchange for such Guarantor Senior Debt) to substantially the same extent as, or to a greater extent than, the Guarantees are subordinated to such Guarantor Senior Debt pursuant to this Indenture.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

"Physical Securities" means Securities issued in definitive, fully registered form without interest coupons, substantially in the form of Exhibit A hereto, with the applicable legends as provided in Section 2.3.

"Place of Conversion" means any city in which any Conversion Agent is located.

"Place of Payment" means any city in which any Paying Agent is located.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 2.12 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Principals" means any Lehman Investor and Frank C. Lanza.

"Public Acquirer Change of Control" means a Non-Stock Change of Control in which the acquirer has a class of common stock traded on a U.S. national securities exchange or quoted on the Nasdaq National Market or that will be so traded or quoted when issued or exchanged in connection with such Non-Stock Change of Control (the "Public Acquirer Common Stock"). If an acquirer does not itself have a class of common stock satisfying the foregoing requirement, it shall be deemed to have Public Acquirer Common Stock if a corporation that directly or indirectly owns at least a majority of the acquirer has a class of common stock satisfying the foregoing requirement, provided that such majority-owning corporation fully and unconditionally guarantees the Securities, in which case all references to Public Acquirer Common Stock shall

refer to such class of common stock. Majority owned for these purposes means having "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all shares of the respective entity's capital stock that are entitled to vote generally in the election of directors.

"Public Acquirer Common Stock" has the meaning specified in the definition of Public Acquirer Change of Control.

"Purchase Agreement" means the Purchase Agreement, dated July 27, 2005, among the Company, the Guarantors and the Initial Purchasers.

"Purchased Shares" has the meaning set forth in Section 12.4(f)(ii).

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

"Record Date" means either a Regular Record Date or a Special Record Date, as the case may be; provided that, for purposes of Section 12.4, Record Date has the meaning specified in 12.4(g).

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which such Security is to be redeemed pursuant to this Indenture.

"Reference Period" has the meaning set forth in Section 12.4(d).

"Register" has the meaning specified in Section 2.5.

"Registrar" has the meaning specified in Section 2.5.

"Registration Rights Agreement" means the Resale Registration Rights Agreement dated as of July 29, 2005, among the Company, the Guarantors and the Initial Purchasers.

"Registration Statement" has the meaning specified in the Registration Rights Agreement.

"Regular Record Date" for the interest on the Securities (including Contingent Interest and Additional Interest, if any) means 5:00 p.m., New York City Time, on the January 15 (whether or not a Business Day) next preceding an Interest Payment Date on February 1 and the July 15 (whether or not a Business Day) next preceding an Interest Payment Date on August 1.

"Related Party" with respect to any Principal means:

(1) any controlling stockholder, 50% (or more) owned Subsidiary, or spouse or immediate family member (in the case of an individual) of such Principal; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a more than 50% controlling interest of which consist of such Principal and/or such other Persons referred to in clause (1) above.

"Representative" means the trustee, agent or representative for any Guarantor Senior Debt.

"Repurchase Date" means the date upon which the Company repurchases Securities from Holders who have exercised their Repurchase Right pursuant to Section 11.1 or Section 11.2.

"Repurchase Right" means either an Optional Repurchase Right or a Fundamental Change Repurchase Right.

"Responsible Officer" shall mean, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Securities" means the Securities defined as such in Section 2.3.

"Restricted Securities Legend" has the meaning set forth in Section 2.3(a).

"Rule 144" means Rule 144 under the Securities Act (including any successor rule thereof), as the same may be amended from time to time.

"Rule 144A" means Rule 144A as promulgated under the Securities Act (including any successor rule thereof), as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"Securities" has the meaning ascribed to it in the first paragraph under the caption "Recitals of the Company."

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Credit Facility" means the Amended and Restated Credit Agreement, dated as of July 29, 2005, among the Borrower and a syndicate of banks and other financial institutions led by BOA, as administrative agent, Lehman Commercial Paper Inc., as syndication agent, and Banc of America Securities LLC and Lehman Brothers, Inc., as joint lead arrangers and joint book managers, and any related notes, collateral documents, letters of credit and guarantees, including any appendices, exhibits or schedules to

any of the foregoing (as the same may be in effect from time to time), in each case, as such agreements may be amended, modified, supplemented or restated from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid or extended from time to time (whether with the original agents and lenders or other agents and lenders or otherwise, and whether provided under the original credit agreements or other credit agreements or otherwise).

"Significant Subsidiary" means any Subsidiary which is a "significant subsidiary" within the meaning specified in Rule 1-02(w) of Regulation S-X.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Company pursuant to Section 2.17.

"Spin-off" has the meaning assigned to it in Section 12.4(d).

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations for repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and (ii) any partnership (A) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (B) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"TIA" means the Trust Indenture Act of 1939, as amended (15 U.S. Code Section 77aaa-77bbbb), as in effect on the date of this Indenture; provided, however, that in the event TIA is amended after such date, "TIA" means, to the extent such amendment is applicable to this Indenture, the Trust Indenture Act of 1939, as amended, or any successor statute.

"Trading Day" means:

(1) if the applicable security is listed or admitted for trading on the New York Stock Exchange or another national security exchange, a day on which the New York Stock Exchange or such other national security exchange is open for business;

(2) if the applicable security is quoted on the Nasdaq National Market, a day on which trades may be made thereon; or

(3) if the applicable security is not so listed, admitted for trading or quoted, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"Trading Price" of a Security on any date of determination means:

(1) the average of the secondary market bid quotations per $1,000 principal amount of Securities obtained by the Trustee, or at the Trustee's election, the Company (which election need be made only once to the Company for purposes hereunder) for $5,000,000 principal amount of the Securities at approximately 3:30 p.m., New York City time, on such determination date from two independent nationally recognized securities dealers selected by the Company, which may include one or more of the Initial Purchasers;

(2) if at least two such bids cannot reasonably be obtained by the Company, but one such bids can be reasonably obtained by the Company, this one bid shall be used; or

(3) if the Trustee, or the Company, as the case may be, cannot reasonably obtain at least one bid for $5,000,000 principal amount of

the Securities from a nationally recognized securities dealer, then:

(i) for purposes of Section 2.1(d), the Trading Price per $1,000 principal amount of Securities, will be deemed to be the product of:

(a) the Conversion Rate then in effect; and

(b) the average Closing Sale Price of the Common Stock over the five trading-day period ending on such determination date; and

(ii) for purposes of Section 12.1(a)(3), the Trading Price, per $1,000 principal amount of Securities, will be deemed to be less than 98% of the applicable Conversion Rate of the Securities multiplied by the Closing Sale Price of the Common Stock on such determination date.

"Transfer Agent" means any Person, which may be the Company, authorized by the Company to exchange or register the transfer of Securities.

"Trigger Event" has the meaning specified in Section 12.4(d).

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

"U.S. Government Obligations" means: (1) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (2) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America and which in either case, are non-callable at the option of the issuer thereof.

"Vice President," when used with respect to the Company, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

"Voting Stock" of any Person as of the date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

SECTION 1.2 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Securities;

"indenture security holder" means a Holder;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Securities means the Company and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.3 RULES OF CONSTRUCTION.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all accounting terms not otherwise defined herein have the

meanings assigned to them in accordance with generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified public Accountants and statements and other pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on April 30, 1997 ("GAAP");

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

(4) all references to section and article numbers in this Indenture shall refer to sections and articles hereof, unless otherwise specified;

ARTICLE 2

THE SECURITIES

SECTION 2.1 TITLE AND TERMS.

(a) The Securities shall be known and designated as the "3.00% Convertible Contingent Debt Securities (CODES) due 2035" of the Company. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is limited to $600,000,000 (or $700,000,000 if the Initial Purchasers' option set forth in Section 2 of the Purchase Agreement is exercised in full), except for Securities authenticated and delivered upon registration of, transfer of, in exchange for, or in lieu of other Securities pursuant to Section 2.7, 2.8, 2.9, 2.12, 2.14, 7.5, 10.8, 11.2 or 12.2. The Securities shall be issuable in denominations of $1,000 or integral multiples thereof.

(b) The Securities shall mature on August 1, 2035, unless earlier converted, redeemed or repurchased, in each case as permitted under this Indenture.

(c) Interest shall accrue from and including July 29, 2005 at the Interest Rate until the principal thereof is paid or made available for payment. Interest shall be payable semiannually in arrears on February 1 and August 1 in each year, commencing February 1, 2006.

(d) In addition, interest (the "Contingent Interest") will accrue on each Security during any six-month period from February 1 to July 31 and from August 1 to January 31, as appropriate, commencing with the six-month period beginning February 1, 2011, if the Trading Price of $1,000 principal amount of Securities for each of the five Trading Days ending on the second Trading Day immediately preceding the first day of the applicable six-month interest period equals or exceeds 120% of the principal amount of such Security. The rate of Contingent Interest payable per $1,000 principal amount of a Security in respect of any six-month period will equal 0.25% of the average Trading Price of $1,000 principal amount of a Security during the five Trading Days ending on the second Trading Day immediately preceding the first day of the applicable six-month interest period. Upon determination by the Company that Holders of Securities will be entitled to receive Contingent Interest during any relevant six-month period, on or prior to the start of the relevant six-month period, the Company will notify the Trustee and issue a press release and publish information with respect to any Contingent Interest on its website.

(e) Interest (including Contingent Interest and Additional Interest, if any) on the Securities shall be computed (i) for any full semi-annual period, on the basis of a 360-day year of twelve 30-day months and (ii) for less than a full semiannual period for which interest is calculated, on the basis of a 30-day month and, for such periods of less than a month, the actual number of days elapsed over a 30-day month.

(f) (i) A Holder of any Security at 5:00 p.m., New York City time, on a Regular Record Date shall be entitled to receive interest (including Contingent Interest and Additional Interest, if any) on such Security on the corresponding Interest Payment Date. In the event that a Security is converted pursuant to Article 12, the Holder who converts such Security shall not be entitled to receive any separate cash payment for accrued but unpaid interest (including Contingent Interest and Additional Interest, if any) on such Security from the preceding Interest Payment Date until the Conversion Date, such amounts being deemed to have been paid in full rather than canceled, extinguished or forfeited by receipt of cash or a combination of cash and Common Stock upon conversion. As a result, a Holder of any Security on a Regular Record Date which

is converted after 5:00 p.m., New York City time, on a Regular Record Date and prior to 5:00 p.m., New York City time, on the Interest Payment Date (other than any Security whose Maturity is prior to such Interest Payment Date) shall receive accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) on the principal amount of such Security, but will be required to remit to the Company an amount equal to that interest (including Contingent Interest and Additional Interest, if any) at the time such Holder surrenders the Security for conversion pursuant to Article 12. Notwithstanding the foregoing, the Holder will not be required to make such payment (i) if such Holder converts the Securities in connection with a redemption and the Company has specified Redemption Date that is after a Record Date and on or prior to the corresponding Interest Payment Date; (ii) if such Holder converts the Securities in connection with a Fundamental Change and the Company has specified a Fundamental Change Repurchase Date that is after a Record Date and on or prior to the corresponding Interest Payment Date; or (iii) to the extent of any overdue interest (including overdue Contingent Interest and Additional Interest, if any), if overdue interest (or overdue Contingent Interest and Additional Interest, if any) exists at the time of conversion with respect to such Holder's Securities.

(ii) The Company shall pay accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to a Person other than the Holder of record on the Record Date on the

Maturity Date. On such date, the Company shall pay accrued and unpaid interest only to the Person to whom the Company pays the principal amount of the Securities.

(g) Principal of and interest (including Contingent Interest and Additional Interest, if any) on Global Securities shall be payable to the Depositary in immediately available funds.

(h) Principal on Physical Securities shall be payable in immediately available funds or, at the option of the Company, at the office or agency of the Company maintained for such purpose, initially the Corporate Trust Office of the Trustee. Interest (including Contingent Interest and Additional Interest, if any) on Physical Securities will be payable (i) to Holders having an aggregate principal amount of less than $2,000,000, by check mailed to the Holders of these Securities, (ii) to Holders having an aggregate principal amount of $2,000,000 or more, either by check mailed to each Holder or, upon application by a Holder to the Trustee not later than five Business Days prior to the relevant Interest Payment Date, by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until the Holder notifies, in writing, the Trustee to the contrary; provided that all payments at Maturity shall be made at the Corporate Trust Office of the Trustee.

(i) The Securities shall be redeemable at the option of the Company as provided in Article 10.

(j) The Securities shall be repurchaseable by the Company at the option of Holders as provided in Article 11.

(k) The Securities shall be convertible at the option of the Holders as provided in Article 12.

(l) The Securities shall rank pari passu with all existing and future senior unsecured Indebtedness of the Company and the Guarantees of the Indebtedness evidenced by the Securities shall be subordinated in right of payment to Guarantor Senior Debt of the Guarantors as provided in Article 13.

(m) The Securities shall be jointly and severally guaranteed, on a senior subordinated basis, by the Guarantors as provided in Article 14.

(n) The Securities will be senior unsecured obligations of the Company.

SECTION 2.2 FORM OF SECURITIES.

(a) Except as otherwise provided pursuant to this Section 2.2, the Securities are issuable in fully registered form without coupons in substantially the form of Exhibit A hereto, with such applicable legends as are provided for in Section 2.3. The Securities are not issuable in bearer form. The terms and provisions contained in the form of Security shall constitute, and are hereby expressly made, a part of this Indenture and to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. Any of the Securities may have such letters, numbers or other marks of identification and

such notations, legends and endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Securities may be listed or designated for issuance, or to conform to usage.

(b) The Securities are being offered and sold by the Company pursuant to the Purchase Agreement. Securities offered and sold to QIBs in accordance with Rule 144A, as provided in the Purchase Agreement, shall be issued initially in the form of one or more permanent global Securities in fully registered form without interest coupons, substantially in the form of Exhibit A hereto, with the applicable legends as provided in Section 2.3 (each a "Global Security" and collectively the "Global Securities"). Each Global Security shall be duly executed by the Company and authenticated and delivered by the Trustee, and shall be registered in the name of the Depositary or its nominee and retained by the Trustee, as custodian, at its Corporate Trust Office, for credit to the accounts of the Agent Members holding the Securities evidenced thereby. The aggregate principal amount of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian, and of the Depositary or its nominee, as hereinafter provided.

(c) Physical Securities may be exchanged for interests in Global Securities pursuant to Section 2.9(a).

SECTION 2.3 LEGENDS.

(A) RESTRICTED SECURITIES LEGENDS.

Each Security issued hereunder shall, upon issuance, bear the legend set forth in Section 2.3(a)(i), and each stock certificate representing shares of the Common Stock issued upon conversion of any Security issued hereunder, shall, upon issuance, bear the legend set forth in Section 2.3(a)(ii)(each such legend, a "Restricted Securities Legend"), and such legend shall not be removed except as provided in Section 2.3(a)(iii). Each Security that bears or is required to bear the Restricted Securities Legend set forth in Section 2.3(a)(i) (together with each stock certificate representing shares of the Common Stock issued upon conversion of such Security that bears or is required to bear the Restricted Securities Legend set forth in Section 2.3(a)(ii), collectively, the "Restricted Securities") shall be subject to the restrictions on transfer set forth in this Section 2.3(a) (including the Restricted Securities Legend set forth below), and the Holder of each such Restricted Security, by such Holder's acceptance thereof, shall be deemed to have agreed to be bound by all such restrictions on transfer.

As used in Section 2.3(a), the term "transfer" encompasses any sale, pledge, transfer or other disposition whatsoever of any Restricted Security.

(I) RESTRICTED SECURITIES LEGEND FOR SECURITIES.

Except as provided in Section 2.3(a)(iii), any certificate evidencing such Security (and all Securities issued in exchange therefor or substitution thereof, other than stock certificates representing shares of the Common Stock, if any, issued upon conversion thereof which shall bear the legend set forth in Section 2.3(a)(ii), if applicable) shall bear a Restricted Securities Legend in substantially the following form:

"THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREIN. THIS GLOBAL SECURITY MAY NOT BE EXCHANGED OR TRANSFERRED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DEPOSITORY TRUST COMPANY ("DTC") OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE INDENTURE. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE INDENTURE.

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN

RULE 144A UNDER THE SECURITIES ACT;

(2) AGREES THAT IT WILL NOT PRIOR TO THE DATE TWO YEARS AFTER THE DATE OF ORIGINAL ISSUANCE OF THE DEBT SECURITIES EVIDENCED HEREBY OF L-3 COMMUNICATIONS HOLDINGS, INC. (THE "COMPANY") RESELL OR OTHERWISE TRANSFER THE SECURITIES EVIDENCED HEREBY OR THE COMMON STOCK THAT MAY BE ISSUABLE UPON CONVERSION OF SUCH SECURITIES EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OF 1933, (C) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OF 1933 AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER, OR (D) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT OF 1933, INCLUDING UNDER RULE 144, IF AVAILABLE, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH TRANSFER, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO US AND THE TRUSTEE; AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITIES EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(C) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

In connection with any transfer of Securities prior to the date two years after the date of original issuance of the Securities (other than a transfer pursuant to clause 2(c) above), the Holder must complete and deliver the transfer certificate contained in thE Indenture to the Trustee (or any successor trustee, as applicable). If the proposed transfer is pursuant to clause 2(d) above, the Holder must, prior to such transfer, furnish to the Trustee (or any successor trustee, as applicable), such certifications, legal opinions or other information as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act OF 1933).

The legend set forth above will be removed upon the earlier of the transfer of Securities pursuant to clause 2(c) above or the expiration of two years from the date of original issuance of the Securities. Each stock certificate representing common stock issued upon conversion of the Securities will bear a comparable legend (unless such common stock has been transferred pursuant to the exemption from registration provided by Rule 144 under the Securities Act OF 1933, if available, or pursuant to a registration statement that has been declared effective under the Securities Act OF 1933).

FOR PURPOSES OF SECTION 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE SECURITIES ARE BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. IN ADDITION, THE SECURITIES ARE SUBJECT TO REGULATIONS GOVERNING CONTINGENT PAYMENT DEBT INSTRUMENTS. UNDER SUCH REGULATIONS, THE COMPARABLE YIELD OF THE SECURITIES IS 6.33%.

THE ISSUER AGREES, AND BY PURCHASING A BENEFICIAL OWNERSHIP INTEREST IN THE SECURITIES EACH HOLDER OF Securities WILL BE DEEMED TO HAVE AGREED, FOR UNITED STATES FEDERAL INCOME TAX PURPOSES (1) TO TREAT THE Securities AS INDEBTEDNESS THAT IS SUBJECT TO TREAS. REG. SEC. 1.1275-4 (THE "CONTINGENT PAYMENT REGULATIONS") AND, FOR PURPOSES OF THE CONTINGENT PAYMENT REGULATIONS, TO TREAT THE FAIR MARKET VALUE OF ANY STOCK BENEFICIALLY RECEIVED BY A BENEFICIAL HOLDER UPON ANY CONVERSION OF THE Securities AS A CONTINGENT PAYMENT AND (2) TO BE BOUND BY THE ISSUER'S DETERMINATION OF THE "COMPARABLE YIELD" AND "PROJECTED PAYMENT SCHEDULE," WITHIN THE MEANING OF THE CONTINGENT PAYMENT REGULATIONS, WITH RESPECT TO THE Securities. THE ISSUER AGREES TO PROVIDE PROMPTLY TO HOLDER OF Securities, UPON WRITTEN REQUEST, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE. ANY SUCH WRITTEN REQUEST SHOULD BE SENT TO THE ISSUER AT THE FOLLOWING ADDRESS: L-3 COMMUNICATIONS CORPORATION, 600 THIRD AVENUE, 34TH FLOOR, NEW YORK, NEW YORK 10016, ATTENTION: INVESTOR RELATIONS.

(II) RESTRICTED SECURITIES LEGEND FOR THE COMMON STOCK ISSUED UPON CONVERSION OF THE SECURITIES.

Each stock certificate representing Common Stock issued upon conversion of the Securities will bear the following legend (unless such Common Stock has been sold pursuant to Rule 144 or pursuant to a registration statement that has been declared effective under the Securities Act):

"THE SHARES OF COMMON STOCK EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE Securities ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR

TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. THE HOLDER HEREOF AGREES THAT UNTIL THE EXPIRATION OF TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SECURITY UPON THE CONVERSION OF WHICH THE COMMON STOCK EVIDENCED HEREBY WAS ISSUED:

(1) IT WILL NOT OFFER, SELL, ASSIGN, TRANSFER, PLEDGE, ENCUMBER OR OTHERWISE DISPOSE OF THE SHARES EXCEPT: (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE

UNDER THE SECURITIES ACT AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER;

(2) PRIOR TO ANY SUCH TRANSFER PURSUANT TO CLAUSE 1(D) ABOVE, IT WILL FURNISH TO SUCH TRANSFER AGENT (OR ANY SUCCESSOR TRANSFER AGENT, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND

(3) IT WILL DELIVER TO EACH PERSON TO WHOM THE SHARES OF COMMON STOCK EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO A CLAUSE 1(D) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE COMMON STOCK EVIDENCED HEREBY PURSUANT TO CLAUSE 1(D) ABOVE OR THE EXPIRATION OF TWO YEARS FROM THE ORIGINAL ISSUANCE OF THE SECURITY UPON THE CONVERSION OF WHICH THE COMMON STOCK EVIDENCED HEREBY WAS ISSUED.

(III) REMOVAL OF THE RESTRICTED SECURITIES LEGENDS.

Each Security and each stock certificate representing shares of the Common Stock issued upon conversion of any Security (other than a stock certificate representing shares of the Common Stock issued upon conversion of a Security that previously has been sold pursuant to a registration statement that has been declared effective under the Securities Act and which continues to be effective at the time of such sale) shall bear the applicable Restricted Securities Legend set forth in Section 2.3(a)(i) or 2.3(a)(ii), as the case may be, until the earlier of:

(1) the date which is the later of two years after the original issuance date of such Security and two years after the date such Security was last held by an affiliate of the Company; and

(2) the date such Security has, or such shares of the Common Stock have been sold pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such sale).

The Holder must give notice thereof to the Trustee and any transfer agent for the Common Stock, as applicable.

Notwithstanding the foregoing, the Restricted Securities Legend may be removed from any Security or any stock certificate representing shares of the Common Stock issued upon conversion of any Security if there is delivered to the Company such satisfactory evidence, which may include an opinion of independent counsel, as may be reasonably required by the Company, that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Security or shares of the Common Stock issued upon conversion of Securities, as the case may be, will not violate the registration requirements of the Securities Act or the qualification requirements under any state securities laws. Upon provision of such satisfactory evidence, at the written direction of the Company, (i) in the

case of a Security, the Trustee shall authenticate and deliver in exchange for such Security another Security or Securities having an equal aggregate principal amount that does not bear such legend or (ii) in the case of a stock certificate representing shares of the Common Stock, the transfer agent for the Common Stock shall authenticate and deliver in exchange for the stock certificate or stock certificates representing such shares of Common Stock bearing such legend, one

or more new stock certificates representing a like aggregate number of shares of Common Stock that do not bear such legend. If the Restricted Securities Legend has been removed from a Security or stock certificates representing shares of the Common Stock issued upon conversion of any Security as provided above, no other Security issued in exchange for all or any part of such Security or stock certificates representing shares of the Common Stock issued upon conversion of such Security shall bear such legend, unless the Company has reasonable cause to believe that such other Security is a "restricted security" (or such shares of Common Stock are "restricted securities") within the meaning of Rule 144 and instructs the Trustee in writing to cause a Restricted Securities Legend to appear thereon.

Any Security (or Security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms or as to which the conditions for removal of the Restricted Securities Legend set forth in Section 2.3(a)(i) as set forth therein have been satisfied may, upon surrender of such Security for exchange to the Registrar in accordance with the provisions of Section 2.7, be exchanged for a new Security or Securities, of like tenor and aggregate principal amount, which shall not bear the Restricted Securities Legend required by Section 2.3(a)(i).

Any stock certificate representing shares of the Common Stock issued upon conversion of any Security as to which such restrictions on transfer shall have expired in accordance with their terms or as to which the conditions for removal of the Restricted Securities Legend set forth in Section 2.3(a)(ii) as set forth therein have been satisfied may, upon surrender of the stock certificates representing such shares of Common Stock for exchange in accordance with the procedures of the transfer agent for the Common Stock, be exchanged for a new stock certificate or stock certificates representing a like aggregate number of shares of Common Stock, which shall not bear the Restricted Securities Legend required by Section 2.3(a)(ii).

In the event Rule 144(k) as promulgated under the Securities Act is amended to change the two-year period under Rule 144(k), then, the references in the restrictive legend set forth above to "two years," and in the corresponding transfer restrictions described above, the Securities and the Common Stock will be deemed to refer to such changed period. However, such changes will not be made if they are otherwise prohibited by, or would otherwise cause a violation of, the federal securities laws applicable at the time.

(B) GLOBAL SECURITY LEGEND.

Each Global Security shall also bear the following legend on the face thereof:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREIN. THIS GLOBAL SECURITY MAY NOT BE EXCHANGED OR TRANSFERRED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE INDENTURE. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE INDENTURE.

(C) LEGEND FOR PHYSICAL SECURITIES.

Physical Securities, in addition to the legend set forth in Section 2.3(a)(i), will also bear a legend substantially in the following form:

THIS SECURITY WILL NOT BE ACCEPTED IN EXCHANGE FOR A BENEFICIAL INTEREST IN A GLOBAL SECURITY UNLESS THE HOLDER OF THIS SECURITY, SUBSEQUENT TO SUCH EXCHANGE, WILL HOLD NO NOTES.

SECTION 2.4 EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

Two Officers of the Company shall execute the Securities by manual or facsimile signature. If an Officer whose signature is on a Security no longer holds that office at the time the Security is authenticated, the Security shall nevertheless be valid.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture, or be valid or obligatory for any purpose, unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by or on behalf of the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

The Trustee may appoint an authenticating agent or agents reasonably acceptable to the Company with respect to the Securities. The Company agrees to pay to each authenticating agent from time to time reasonable compensation for its services under this Section. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture

Dated:

The Bank of New York,
As Trustee

By

Authorized Signatory

SECTION 2.5 REGISTRAR AND PAYING AGENT.

The Company shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Securities may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Securities (the "Register") and of their transfer and exchange. The Company may appoint one or more co-Registrars and one or more additional Paying Agents for the Securities. The term "Paying Agent" includes any additional paying agent and the term "Registrar" includes any co- registrar. The Company may change any Paying Agent or Registrar without prior notice to any Holder. The Company shall notify the Trustee in writing of the name and address of any Agent not party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company will cause each Paying Agent (other than the Trustee) to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of or interest (including Contingent Interest and Additional Interest, if any) on Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as provided in this Indenture;

(2) give the Trustee notice of any Default by the Company in the making of any payment of principal or interest (including Contingent Interest and Additional Interest, if any) and

(3) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company shall give prompt written notice to the Trustee of the name and address of any Agent who is not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any Affiliate of the Company may act as Paying Agent or Registrar; provided, however, that none of the Company, its subsidiaries or the Affiliates of the foregoing shall act:

(i) as Paying Agent in connection with redemptions, offers to purchase and discharges, except as otherwise specified in this Indenture, and

(ii) as Paying Agent or Registrar if a Default or Event of Default has

occurred and is continuing.

The Company hereby initially appoints The Bank of New York as Registrar and Paying Agent for the Securities.

SECTION 2.6 PAYING AGENT TO HOLD ASSETS IN TRUST.

Not later than 11:00 a.m. (New York City time) on each due date of the principal and interest (including Contingent Interest and Additional Interest, if any) on any Securities, the Company shall deposit with one or more Paying Agents money in immediately available funds in an aggregate amount sufficient to pay the principal and interest (including Contingent Interest and Additional Interest,

if any) due on such date. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company) shall have no further liability for the money so paid over to the Trustee.

If the Company shall act as a Paying Agent, it shall, prior to or on each due date of the principal of or interest (including Contingent Interest and Additional Interest, if any) on any of the Securities, segregate and hold in trust for the benefit of the Holders a sum sufficient with monies held by all other Paying Agents, to pay the principal or interest (including Contingent Interest and Additional Interest, if any) so becoming due until such sums shall be paid to such Persons or otherwise disposed of as provided in this Indenture, and shall promptly notify the Trustee of its action or failure to act.

SECTION 2.7 GENERAL PROVISIONS RELATING TO TRANSFER AND EXCHANGE.

The Securities are issuable only in registered form. A Holder may transfer a Security only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Furthermore, any Holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by the Holder of such Global Security (or its Agent) and that ownership of a beneficial interest in the Global Security shall be required to be reflected in a book-entry. Notwithstanding the foregoing, in the case of a Restricted Security, a beneficial interest in a Global Security being transferred in reliance on an exemption from the registration requirements of the Securities Act (other than in accordance with Rule 144 or Rule 144A) may only be transferred for a Physical Security.

When Securities are presented to the Registrar with a request to register the transfer or to exchange them for an equal aggregate principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including that such Securities are duly endorsed or accompanied by a written instrument of transfer duly executed by the Holder thereof or by an attorney who is authorized in writing to act on behalf of the Holder). Subject to Section 2.4, to permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Securities at the Registrar's request. No service charge shall be made for any registration of transfer or exchange or redemption of the Securities, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or other similar governmental charge payable upon exchanges pursuant to Section 2.14, 7.5 or 10.8).

Neither the Company nor the Registrar shall be required to exchange or register a transfer of any Securities:

(1) for a period of 15 Business Days prior to the making of a Notice of Redemption of Securities selected for redemption under Article 10;

(2) so selected for redemption or, if a portion of any Security is selected for redemption, the portion thereof selected for redemption;

(3) surrendered for conversion or, if a portion of any Security is surrendered for conversion, the portion thereof surrendered for conversion; or

(4) any Securities or portions thereof delivered for repurchase (and not withdrawn) pursuant to Article 11.

Each Holder of a Security agrees to indemnify the Company and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Security in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

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

SECTION 2.8 BOOK-ENTRY PROVISIONS FOR THE GLOBAL SECURITIES.

(a) The Global Securities initially shall:

(i) be registered in the name of the Depositary (or a nominee thereof);

(ii) be delivered to the Trustee as custodian for such Depositary;

(iii) bear the Restricted Securities Legend set forth in Section 2.3(a)(i); and

(iv) the Global Securities Legend set forth in Section 2.3(b).

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

(b) The Holder of a Global Security may grant proxies and otherwise authorize any Person, including DTC Participants and Persons that may hold interests through DTC Participants, to take any action which a Holder is entitled to take under this Indenture or the Securities.

(c) A Global Security may not be transferred, in whole or in part, to any Person other than the Depositary (or a nominee thereof), and no such transfer to any such other Person may be registered. Beneficial interests in a Global Security may be transferred in accordance with the rules and procedures of the Depositary and the provisions of Section 2.9.

(d) If at any time:

(i) the Depositary notifies the Company in writing that it is no longer willing or able to continue to act as Depositary for the Global Securities, or the Depositary ceases

to be a "clearing agency" registered under the Exchange Act and a successor depositary for the Global Securities is not appointed by the Company within 90 days of such notice or cessation; or

(ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Physical Securities under this Indenture in exchange for all or any part of the Securities represented by a Global Security or Global Securities;

the Depositary shall surrender such Global Security or Global Securities to the Trustee for cancellation and the Company shall execute, and the Trustee, upon receipt of an Officers' Certificate and Company Order for the authentication and

delivery of Securities, shall authenticate and deliver in exchange for such Global Security or Global Securities, Physical Securities in an aggregate principal amount equal to the aggregate principal amount of such Global Security or Global Securities. In addition, Physical Securities will be issued in exchange for beneficial interests in a Global Security upon request by or on behalf of the Depository in accordance with customary procedures following the request of a Beneficial Owner seeking to enforce its rights under the Securities or this Indenture. Such Physical Securities shall be registered in such names as the Depositary shall identify in writing as the Beneficial Owners of the Securities represented by such Global Security or Global Securities (or any nominee thereof).

(e) Notwithstanding the foregoing, in connection with any transfer of beneficial interests in a Global Security to the Beneficial Owners thereof pursuant to Section 2.8(d), the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Security in an amount equal to the principal amount of the beneficial interests in such Global Security to be transferred.

SECTION 2.9 SPECIAL TRANSFER PROVISIONS

Unless a Security is (i) transferred after the time period referred to in Rule 144(k) under the Securities Act or (ii) sold pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such sale), the following provisions shall apply to any sale, pledge or other transfer of Securities:

(A) TRANSFER OF SECURITIES TO A QIB.

The following provisions shall apply with respect to the registration of any proposed transfer of Securities to a QIB:

(i) If the Securities to be transferred consist of a beneficial interest in the Global Securities, the transfer of such interest may be effected only through the book-entry systems maintained by the Depositary.

(ii) If the Securities to be transferred consist of Physical Securities, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Security stating (or has otherwise advised the Company and the Registrar in writing) that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Security stating or has otherwise advised the Company and the Registrar in writing that:

(A) it is purchasing the Securities for its own account or an account with respect to which it exercises sole investment discretion, in each case for investment and not with a view to distribution;

(B) it and any such account is a QIB within the meaning of Rule 144A;

(C) it is aware that the sale to it is being made in reliance on Rule 144A;

(D) it acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information; and

(E) it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

In addition, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Securities in an amount equal to the aggregate principal amount of the Physical Securities to be transferred, and the Trustee shall cancel the Physical Securities so transferred.

(B) EXEMPTION FROM REGISTRATION.

Notwithstanding the foregoing, a Security may be transferred or sold pursuant to an exemption from registration under the Securities Act and any other applicable securities laws, or in a transaction not subject to such laws, in each case subject to, and in accordance with, the Restricted Securities Legend.

(C) OTHER EXCHANGES.

In the event that Global Securities are exchanged for Securities in definitive registered form pursuant to Section 2.8 prior to the effectiveness of a shelf registration statement with respect to such Securities, such Securities may be exchanged only in accordance with the provisions of clause (a) above (including the certification requirements intended to ensure that such transfers comply with Rule 144A) and such other procedures as may from time to time be adopted by the Company.

(D) GENERAL.

By its acceptance of any Security bearing the Restricted Securities Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and agrees that it will transfer such Security only as provided in this Indenture. The Registrar shall not register a transfer of any Security unless such transfer complies with the restrictions on transfer of such Security set forth in this Indenture. The Registrar shall be entitled to receive and rely on written instructions from the Company verifying that such transfer complies with such restrictions on transfer. In connection with any transfer of Securities, each Holder agrees by its acceptance of the Securities to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all certifications, letters, notices and other written communications received pursuant to Section 2.8 hereof or this Section 2.9. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

SECTION 2.10 HOLDER LISTS.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with Section 312(a) of the TIA. If the Trustee is not the Registrar, the Company shall furnish to the Trustee prior to or on each Interest Payment Date and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders relating to such Interest Payment Date or request, as the case may be.

SECTION 2.11 PERSONS DEEMED OWNERS.

The Company, the Trustee and any Agent of the Company or the Trustee may treat the Holder as the owner of such Security for the purpose of receiving payment of principal of and interest (including Contingent Interest and Additional Interest, if any) on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and notwithstanding any notice of ownership or writing thereon, or any notice of previous loss or theft or other interest therein.

SECTION 2.12 MUTILATED, DESTROYED, LOST OR STOLEN SECURITIES.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there is delivered to the Company and the Trustee:

(1) evidence to their satisfaction of the destruction, loss or theft of any Security, and

(2) such security or indemnity as may be required by them to save each of them and any Agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and, upon request, the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has

become or is about to become due and payable, the Company in its discretion, but subject to any conversion rights, may, instead of issuing a new Security, pay such Security, upon satisfaction of the condition set forth in the preceding paragraph.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section 2.12 in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section 2.12 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 2.13 TREASURY SECURITIES.

In determining whether the Holders of the requisite principal amount of Outstanding Securities are present at a meeting of Holders for quorum purposes or have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall, to the extent permitted by the TIA, be protected in relying upon any such determination as to the presence of a quorum or upon any such request, demand, authorization, direction, notice, consent or waiver, only such Securities of which the Trustee actually knows are so owned shall be so disregarded.

SECTION 2.14 TEMPORARY SECURITIES.

Pending the preparation of Securities in definitive form, the Company may execute and the Trustee shall, upon written request of the Company, authenticate and deliver temporary Securities (printed or lithographed). Temporary Securities shall be issuable in any authorized denomination, and substantially in the form of the Securities in definitive form but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Company. Every such temporary Security shall be executed by the Company and authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the Securities in definitive form. Without unreasonable delay, the Company will execute and deliver to the Trustee Securities in definitive form (other than in the case of Securities in global form) and thereupon any or all temporary Securities (other than any such Securities in global form) may be surrendered in exchange therefor, at each office or agency maintained by the Company pursuant to Section 9.2 and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of Securities in definitive form. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Securities shall in all respects be entitled to the same benefits and subject to the same limitations under this Indenture as Securities in definitive form authenticated and delivered hereunder.

SECTION 2.15 CANCELLATION.

All securities surrendered for payment, redemption, repurchase, conversion, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee. All Securities so delivered shall be canceled promptly by the Trustee, and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of all cancelled Securities in accordance with its customary procedures. If the Company shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Securities unless the same are delivered to the Trustee for cancellation.

SECTION 2.16 CUSIP NUMBERS.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and the Trustee shall use CUSIP numbers in notices of redemption or exchange as a convenience to Holders; provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any such notice

and that reliance may

be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

SECTION 2.17 DEFAULTED INTEREST.

If the Company fails to make a payment of interest (including Contingent Interest and Additional Interest, if any) on any Security when due and payable ("Defaulted Interest"), it shall pay such Defaulted Interest plus (to the extent lawful) additional interest on the Defaulted Interest at the annual rate of 1% above the then applicable Interest Rate from the applicable Interest Payment Date, in any lawful manner. It may elect to pay such Defaulted Interest, plus any such interest payable on it, to the Persons who are Holders of such Securities on which the interest is due on a subsequent Special Record Date. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Security. The Company shall fix any such Special Record Date and payment date for such payment. At least 15 days before any such Special Record Date, the Company shall mail to Holders affected thereby a notice that states the Special Record Date, the Interest Payment Date, and amount of such interest (and such Contingent Interest and/or Additional Interest, if any) to be paid.

ARTICLE 3

SATISFACTION AND DISCHARGE

SECTION 3.1 SATISFACTION AND DISCHARGE OF INDENTURE.

When:

(1) the Company shall deliver to the Trustee for cancellation all Securities previously authenticated (other than any Securities which have been destroyed, lost or stolen and in lieu of, or in substitution for which, other Securities shall have been authenticated and delivered) and not previously canceled; or

(2) all the Securities not previously canceled or delivered to the Trustee for cancellation will become due and payable or are by their terms scheduled to become due and payable, within one year; and

(3) the Company shall deposit with the Trustee, in trust, cash in U.S. Dollars and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal of or interest (including Contingent Interest and Additional Interest, if any) on all of the Securities (other than any Securities which shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Securities shall have been authenticated and delivered) not previously canceled or delivered to the Trustee for cancellation, on the dates such payments of principal or interest (including Contingent Interest and Additional Interest, if any) are due to such date of Maturity;

the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect, except as to:

(i) remaining rights of registration of transfer, substitution and exchange and conversion of Securities;

(ii) rights of conversion in accordance with the terms set forth in this Indenture;

(iii) rights hereunder of Holders to receive payments of principal of and interest (including Contingent Interest and

Additional Interest, if any) on, the Securities and the other rights, duties and obligations of Holders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee; and

(iv) the rights and immunities of the Trustee hereunder);

and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; provided, however, that the Company shall reimburse the Trustee for all amounts due the Trustee under Section 5.8 and for any costs or expenses thereafter reasonably and properly incurred by the Trustee and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities.

SECTION 3.2 DEPOSITED MONIES TO BE HELD IN TRUST.

Subject to Section 3.3, all monies deposited with the Trustee pursuant to Section 3.1 shall be held in trust and applied by it to the payment either directly or through any Paying Agent (including the Company if acting as its own Paying Agent), to the Holders of the particular Securities for the payment or redemption of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest (including Contingent Interest and Additional Interest, if any). All monies deposited with the Trustee pursuant to Section 3.1 (and held by it or any Paying Agent) for the payment of Securities subsequently converted shall be returned to the Company upon the earlier of the request of the Company and the date on which there are no Securities outstanding.

SECTION 3.3 RETURN OF UNCLAIMED MONIES.

The Trustee and the Paying Agent shall pay to the Company any money held by them for the payment of principal or interest (including Contingent Interest and Additional Interest, if any) that remains unclaimed for two years after the date upon which such payment shall have become due. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

ARTICLE 4

DEFAULTS AND REMEDIES

SECTION 4.1 EVENTS OF DEFAULT.

An "Event of Default" with respect to the Securities occurs when any of the following occurs (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article 13 relating to a Subsidiary Guarantee or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) the Company defaults in the payment when due of interest, Contingent Interest or Additional Interest, if any, on the Securities and such default continues for a period of 30 calendar days (whether or not prohibited by the subordination provisions of this Indenture relating to the Subsidiary Guarantee);

(2) the Company defaults in the payment when due at Maturity, or the Company fails to pay the Redemption Price or the Repurchase Price, in respect of any Securities when due of the principal of the Securities (whether or not prohibited by the subordination provisions of this Indenture relating to the Subsidiary Guarantee);

(3) the Company fails to comply with any of its other agreements in this Indenture or the Securities (other than a default specified in clause (1) or (2) above) and such default or breach continues for a period of 60 consecutive days after written notice of such breach or default shall have been given to the Company by the Trustee or to the Company and the Trustee by the Holders of 25% or more in aggregate principal amount of the Outstanding Securities;

(4) the Company defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for borrowed money of the Company or any of its Subsidiaries (other than the Excluded Subsidiaries) (or the payment of which is guaranteed by the Company or any of its Subsidiaries (other than

Excluded Subsidiaries)) whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, which default results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness the maturity of which has been so accelerated, aggregates $50.0 million or more;

(5) failure by the Company or any of its Subsidiaries (other than the Excluded Subsidiaries) to pay final judgments aggregating in excess of $50.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(6) the commencement by the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary to the entry of a decree or order for relief in respect of the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, or the filing by the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state law, or the consent by the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary to the filing of such petition or to the appointment of or the taking possession by a Custodian of the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or of any substantial part of their properties, or the making by the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary of an assignment for the benefit of creditors, or the admission by the Company or any Significant Subsidiary of the

Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in writing of their inability to pay its debts generally as they become due, or the taking of corporate action by the Company or any Significant Subsidiary of the Company or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary expressly in furtherance of any such action;

(7) the Company fails to deliver shares of its Common Stock (including any additional shares) or cash, in lieu thereof, or a combination of the foregoing, upon conversion of any Securities and such failure continues for 10 days following the scheduled settlement date for such conversion;

(8) the Company fails to provide notice of the actual effective date of a Fundamental Change on a timely basis as required by this Indenture and such failure continues for 10 Business Days; or

(9) except as permitted by this Indenture, any Guarantee of the Securities shall be held in any judicial proceeding to be unenforceable or invalid.

SECTION 4.2 ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default with respect to Outstanding Securities other than the Event of Default specified in Section 4.1(6) above occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities, by written notice to the Company, may declare due and payable 100% of the principal amount of all Outstanding Securities plus any accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to the date of payment. Upon a declaration of acceleration, such principal and accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to the date of payment shall be immediately due and payable; provided, however, that so long as any Designated Senior Debt is outstanding, such declaration shall not become effective with respect to any Guarantee until the earlier of:

(1) the day which is five Business Days after the receipt by the Representative of Designated Senior Debt of such notice of acceleration; or

(2) the date of the acceleration of any Designated Senior Debt.

After a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the Holders of a majority in aggregate principal amount of the Securities outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration if:

(1) The Company has paid (or deposited with the Trustee a sum sufficient to pay) (i) all overdue interest (including Contingent Interest and Additional Interest, if any) on all Securities; (ii) the principal amount of any Securities that have become due otherwise than by such declaration of acceleration; (iii) to the extent that payment of such interest is lawful, interest upon overdue interest (including Contingent Interest and Additional Interest, if any); and (iv) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its Agents and counsel; and

(2) all Events of Default, other than the non-payment of the principal amount and any accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) that have become due solely by such declaration of acceleration, have been cured or waived.

No such rescission or annulment shall affect any subsequent Default or impair any right consequent thereon. If an Event of Default under Section 4.1(6) occurs and is continuing with respect to the Company, then, without any further action by the Holders, the principal amount of all Outstanding Securities plus any accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) shall become immediately due and payable.

SECTION 4.3 OTHER REMEDIES.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal and interest (including Contingent Interest and Additional Interest, if any) on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Security in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 4.4 WAIVER OF PAST DEFAULTS.

The Holders, either (a) through the written consent of not less than a majority in aggregate principal amount of the Outstanding Securities, or (b) by the adoption of a resolution, at a meeting of Holders of the Outstanding Securities at which a quorum is present, by the Holders of at least a majority in aggregate principal amount of the Outstanding Securities represented at such meeting, may, on behalf of the Holders of all of the Securities, waive an existing Default or Event of Default, except a Default or Event of Default:

(1) in the payment of the principal of or interest (including Contingent Interest and Additional Interest, if any) on any Security (provided, however, that subject to Section 4.2, the Holders of a majority in aggregate principal amount of the Outstanding Securities may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration);

(2) resulting from the failure to convert any Securities into cash or cash and Common Stock (if the Company so elects) as required by this Indenture;

(3) resulting from the failure to pay the Redemption Price on the Redemption Date in connection with a redemption by the Company, under Section 10.2, or the Repurchase Price on the Repurchase Date in connection with a Holder exercising its Repurchase Rights, under Section 11.1 or 11.2; or

(4) in respect of a covenant or provision hereof which, under Section 7.2, cannot be modified or amended without the consent of the Holders of each Outstanding Security affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; provided, however, that no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 4.5 CONTROL BY MAJORITY.

The Holders of a majority in aggregate principal amount of the Outstanding Securities (or, to the extent permitted by the TIA, such lesser amount as shall have acted at a meeting pursuant to the provisions of this Indenture) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that:

(1) conflicts with any law or with this Indenture;

(2) the Trustee determines may be unduly prejudicial to the rights of the Holders not joining therein; or

(3) may expose the Trustee to personal liability.

The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 4.6 LIMITATION ON SUIT.

No Holder of any Security shall have any right to pursue any remedy with respect to this Indenture or the Securities (including, instituting any proceeding, judicial or otherwise, with respect to this Indenture or for the appointment of a receiver or trustee) unless:

(1) such Holder has previously given written notice to the Trustee of an Event of Default that is continuing;

(2) the Holders of at least 25% in aggregate principal amount of the Outstanding Securities shall have (i) made written request to the Trustee to pursue the remedy and (ii) offered reasonable security or indemnity to the Trustee against any costs, liability or expense of the Trustee;

(3) the Trustee has failed to comply with the request for 60 calendar days after its receipt of such notice, request and offer of indemnity; and

(4) during such 60-day period, no direction inconsistent with such written request has been given to the Trustee by the Holders of a majority in aggregate principal amount of the Outstanding Securities (or such amount as shall have acted at a meeting pursuant to the provisions of this Indenture);

provided, however, that no one or more of such Holders may use this Indenture to prejudice the rights of another Holder or to obtain preference or priority over another Holder.

SECTION 4.7 UNCONDITIONAL RIGHTS OF HOLDERS TO RECEIVE PAYMENT AND TO CONVERT.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest

(including Contingent Interest and Additional Interest, if any) on such Security on the Stated Maturity expressed in such Security (or, in the case of redemption, on the Redemption Date, or in the case of the exercise of a Repurchase Right, on a Fundamental Change Repurchase Date, and to convert such Security in accordance with Article 12, and to bring an action for the enforcement of any such payment on or after such respective dates and such right

to convert, and such rights shall not be impaired or affected without the consent of such Holder.

SECTION 4.8 COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY THE TRUSTEE.

The Company covenants that if:

(1) a Default or Event of Default is made in the payment of any interest (including Contingent Interest and Additional Interest, if any) on any Security when such interest (including Contingent Interest and Additional Interest, if any) becomes due and payable and such Default or Event of Default continues for a period of 30 days; or

(2) a Default or Event of Default is made in the payment of the principal of any Security at the Maturity thereof;

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable (as expressed therein or as a result of any acceleration effected pursuant to Section 4.2) on such Securities for principal and interest (including Contingent Interest and Additional Interest, if any) and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and on any overdue interest (including Contingent Interest and Additional Interest, if any) calculated using the Interest Rate, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its Agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company and collect the monies adjudged or decreed to be payable in the manner provided by law out of the property of the Company, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 4.9 TRUSTEE MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or the property of the Company or its creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest (including Contingent Interest and Additional Interest, if any) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(1) to file and prove a claim for the whole amount of principal and interest (including Contingent Interest and Additional Interest, if any) owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its Agents and counsel) and of the Holders of Securities allowed in such judicial proceeding; and

(2) to collect and receive any monies or other property payable or deliverable on any such claim and to distribute the same;

and any Custodian in any such judicial proceedings is hereby authorized by each Holder of Securities to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Securities, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its Agents and counsel and any other amounts due the Trustee under Section 5.8.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept, or adopt on behalf of any Holder of a

Security, any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder of a Security in any such proceeding.

SECTION 4.10 RESTORATION OF RIGHTS AND REMEDIES.

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

SECTION 4.11 RIGHTS AND REMEDIES CUMULATIVE.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 2.12, no right or remedy conferred in this Indenture upon or reserved to the Trustee or to the Holders of Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 4.12 DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or any acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Securities may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Securities, as the case may be.

SECTION 4.13 APPLICATION OF MONEY COLLECTED.

Subject to Article 13, any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or interest (including Contingent Interest and Additional Interest, if any) upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee;

SECOND: To the payment of the amounts then due and unpaid for principal of and interest (including Contingent Interest and Additional Interest, if any) on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and interest (including Contingent Interest and Additional Interest, if any) respectively; and

THIRD: Any remaining amounts shall be repaid to the Company.

SECTION 4.14 UNDERTAKING FOR COSTS.

All parties to this Indenture agree, and each Holder of any Security by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Securities, or to any suit instituted by any Holder of any Security for the enforcement of the payment of the principal of or

interest (including Contingent Interest and Additional Interest, if any) on any Security on or after the Stated Maturity expressed in such Security (or, in the case of redemption or exercise of a Repurchase Right, on or after the Redemption Date or the Repurchase Date, as applicable) or for the enforcement of the right to convert any Security in accordance with Article 12.

SECTION 4.15 WAIVER OF STAY OR EXTENSION LAWS.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim to take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 5

THE TRUSTEE

SECTION 5.1 CERTAIN DUTIES AND RESPONSIBILITIES.

(a) Except during the continuance of an Event of Default,

(1) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture or the TIA, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; provided, however, that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates or opinions to determine whether or not, on their face, they conform to the requirements to this Indenture (but need not investigate or confirm the accuracy of mathematical calculations or any facts stated therein).

(b) In case an Event of Default actually known to a Responsible Officer of the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) This paragraph (c) shall not be construed to limit the effect of paragraph (a) of this Section 5.1;

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

(3) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with a direction received by it of the Holders of a majority in principal amount of the Outstanding Securities (or, to the extent permitted by the TIA, such lesser amount as shall have acted at a meeting pursuant to the provisions of this Indenture) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 5.1.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability, cost or expense (including, without limitation, reasonable fees of counsel).

(f) [Intentionally omitted]

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, coupon, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by Agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The Trustee shall not be deemed to have notice or actual knowledge of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact a Default is received by the Trustee pursuant to Section 15.2, and such notice references the Securities and this Indenture.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee hereunder, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each Paying Agent, authenticating agent, Conversion Agent or Registrar acting hereunder.

SECTION 5.2 CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 5.1 and subject to Section 315(a) through (d) of the TIA:

(1) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(2) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(3) The Trustee may act through attorneys and Agents and shall not be responsible for the misconduct or negligence of any attorney or Agent appointed with due care.

(4) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith which it believed to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, unless the Trustee's conduct constitutes negligence.

(5) The Trustee may consult with counsel of its selection and the advice of such counsel as to matters of law shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(6) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficiently evidenced by a Company order and any resolution of the Board of Directors shall be sufficiently evidenced by a Board Resolution.

(7) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified

herein.

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

(9) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 5.3 INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest (as such term is defined in Section 310(b) of the TIA), it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee (to the extent permitted under Section 310(b) of the TIA) or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 5.11 and 5.12.

SECTION 5.4 MONEY HELD IN TRUST.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise expressly agreed with the Company.

SECTION 5.5 TRUSTEE'S DISCLAIMER.

The recitals contained herein and in the Securities (except for those in the certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity, sufficiency or

priority of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 5.6 NOTICE OF DEFAULTS.

Within 90 days after the occurrence of any Default or Event of Default hereunder of which the Trustee has received written notice, the Trustee shall give notice to Holders pursuant to Section 15.2, unless such Default or Event of Default shall have been cured or waived; provided, however, that, except in the case of a Default or Event of Default in the payment of the principal of or interest (including Contingent Interest and Additional Interest, if any) or in the payment of any redemption or repurchase obligation on any Security, the Trustee shall be protected in withholding such notice if and so long as Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders. The Company will give the Trustee notice of any uncured Event of Default within 10 days after any Officer of the Company (other than Assistant Treasurer or Assistant Secretary) becomes aware of or receives actual notice of such Event of Default.

SECTION 5.7 REPORTS BY TRUSTEE TO HOLDERS.

The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required by Section 313 of the TIA at the times and in the manner provided by the TIA.

A copy of each report at the time of its mailing to Holders shall be filed with the SEC, if required, and each stock exchange, if any, on which the Securities are listed. The Company shall promptly notify the Trustee when the Securities become listed on any stock exchange or any delisting thereof.

SECTION 5.8 COMPENSATION AND INDEMNIFICATION.

The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation for all services rendered by it hereunder as the parties shall agree from time to time (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Company covenants and agrees to pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Agents and other persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is due to its negligence or bad faith. When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 4.1, the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law. The Company also covenants to indemnify the Trustee and its officers, directors, employees and Agents for, and to hold such Persons harmless against, any loss, liability or expense including taxes (other than taxes based on the income of the Trustee) incurred by them, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder or the performance of their duties hereunder, including the costs and expenses of defending themselves against or investigating any claim (whether asserted by the Company, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent that any such loss, liability or expense was due to the negligence or willful misconduct of such Persons. The obligations of the Company under this Section 5.8 to compensate and indemnify the Trustee and its officers, directors, employees and Agents and to pay or reimburse such Persons for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall

survive the satisfaction and discharge of this Indenture or the earlier resignation or removal of the Trustee. Such additional indebtedness shall be a Lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities, and the Securities are hereby subordinated to such senior claim. "Trustee" for purposes of this Section 5.8 shall include any predecessor Trustee, but the negligence or willful misconduct of any Trustee shall not affect the indemnification of any other Trustee.

SECTION 5.9 REPLACEMENT OF TRUSTEE.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 5.9.

The Trustee may resign and be discharged from the trust hereby created by so notifying the Company in writing. The Holders of at least a majority in aggregate principal amount of Outstanding Securities may remove the Trustee by so notifying the Trustee and the Company in writing. The Company must remove the Trustee if:

(i) the Trustee fails to comply with Section 5.11 or Section 310 of the TIA;

(ii) the Trustee becomes incapable of acting;

(iii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law; or

(iv) a Custodian or public officer takes charge of the Trustee or its property.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Company shall promptly appoint a successor Trustee. The Trustee shall be entitled to payment of its fees and reimbursement of its expenses while acting as Trustee. Within one year after the successor Trustee takes office, the Holders of at least a majority in aggregate principal amount of Outstanding Securities may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

Any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee if the Trustee fails to comply with Section 5.11.

If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation or removal, the resigning or removed Trustee, as the case may be, may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The Company shall issue a notice of the successor Trustee's succession to the Holders. Upon payment of its charges, the retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject nevertheless to its Lien, if any, provided for in Section 5.8. Notwithstanding replacement of the Trustee pursuant to this Section 5.9, the Company's obligations under Section 5.8 shall continue for the benefit of the retiring Trustee with respect to expenses, losses and liabilities incurred by it prior to such replacement.

SECTION 5.10 SUCCESSOR TRUSTEE BY MERGER, ETC.

Subject to Section 5.11, if the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business (including the administration of this Indenture) to, another Person, corporation or national banking association, the successor entity without any further act shall be the successor Trustee as to the Securities.

SECTION 5.11 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

The Trustee shall at all times satisfy the requirements of Section 310(a)(1), (2) and (5) of the TIA. The Trustee shall at all times have (or, in the case of a corporation included in a bank holding company system, the related bank holding company shall at all times have), a combined capital and surplus of at least $25 million as set forth in its (or its related bank holding company's) most recent published annual report of condition. The Trustee is subject to Section 310(b) of the TIA.

SECTION 5.12 COLLECTION OF CLAIMS AGAINST THE COMPANY.

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

ARTICLE 6

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 6.1 COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

The Company shall not in a single transaction or a series of related transactions, consolidate with or merge with or into any other Person or sell, convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(1) either (a) the Company is the surviving corporation or (b) in the event that the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation or limited liability company, organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and such surviving or transferee entity shall expressly assume, by an indenture supplemental hereto and a supplemental agreement (in the case of the Registration Rights Agreement), executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest (including Contingent Interest and Additional Interest, if any) on all the Securities and the performance of every covenant of this Indenture and obligation under the Registration Rights Agreement on the part of the Company to be performed or observed and shall have provided for conversion rights in accordance with Section 12.12, to the extent applicable;

(2) at the time of consummation of such transaction, no Default

or Event of Default shall have happened and be continuing;

(3) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(4) if as a result of such transaction the Securities become convertible into common stock or other securities issued by a third party, such third party fully and unconditionally guarantees all Obligations of the Company or such successor under the Securities, this Indenture and the Registration Rights Agreement.

SECTION 6.2 SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation or merger by the Company with or into any other corporation or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety to any Person, in accordance with Section 6.1, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Securities, this Indenture and the Registration Rights Agreement with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease to another Person, the predecessor Person shall be relieved of all obligations and covenants under this Indenture, the Securities and the Registration Rights Agreement.

ARTICLE 7
AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 7.1 WITHOUT CONSENT OF HOLDERS OF SECURITIES.

Without the consent of any Holders of Securities, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may amend this Indenture and the Securities to:

(a) add to the covenants of the Company and/or the Guarantors for the benefit of the Holders of Securities;

(b) surrender any right or power herein conferred upon the Company and/or the Guarantors;

(c) make provision with respect to the Repurchase Right of the Company and conversion rights of Holders of Securities pursuant to Sections 11.2 and 12.12, respectively;

(d) provide for the assumption of the Company's Obligations to the Holders of Securities in the case of a merger or consolidation or sale, conveyance, transfer or lease of the Company's property and assets substantially as an entirety pursuant to Article 6;

(e) increase the Conversion Rate; provided, however, that such increase in the Conversion Rate shall not adversely affect the interest of the Holders of Securities (after taking into account tax and other consequences of such increase);

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

(g) make any changes or modifications necessary in connection with the registration of any Securities under the Securities Act as contemplated in the Registration Rights Agreement; provided, however, that such action pursuant to this clause (g) does not adversely affect the interests of the Holders of Securities in any material respect;

(h) cure any ambiguity, or correct or supplement any provision herein which may be inconsistent with any other provision herein or which is otherwise defective; provided, however, that such action pursuant to this clause (h) does not adversely affect the interests of the Holders of Securities in any material respect; provided, further, that any amendment

made solely to conform the provisions of this Indenture to the description of the Securities contained in the Offering Memorandum will not be deemed to adversely affect the interest of the Holders of the Securities;

(i) make any provisions with respect to matters or questions arising under this Indenture which the Company may deem necessary or desirable and that shall not be inconsistent with provisions of this Indenture; provided, however, that such action pursuant to this clause (i) does not adversely affect the interests of the Holders of Securities in any material respect;

(j) adding Guarantees of Obligations under the Securities;

(k) provided for a successor Trustee; or

(l) secure the Securities.

SECTION 7.2 WITH CONSENT OF HOLDERS OF SECURITIES.

Except as provided below in this Section 7.2, this Indenture or the Securities may be modified, amended or supplemented, and noncompliance in any particular instance with any provision of this Indenture or the Securities may be waived, in each case (i) with the written consent of the Holders of at least a majority in aggregate principal amount of the Outstanding Securities or (ii) by the adoption of a resolution, at a meeting of Holders of the Outstanding Securities at which a quorum is present, by the Holders of a majority in aggregate principal amount of the Outstanding Securities represented at such meeting.

Without the written consent or the affirmative vote of each Holder of Securities affected thereby, an amendment or waiver under this Section 7.2 may not:

(a) extend the Stated Maturity of the principal of, or any installment of interest (including Contingent Interest and Additional Interest, if any), on any Security;

(b) reduce the rate or extend the time for payment of interest (including Contingent Interest and Additional Interest, if any), on any Security;

(c) impair or adversely affect the conversion rights of any Holder of Securities;

(d) reduce the principal amount of any Security;

(e) reduce any amount payable upon redemption or repurchase of any Security;

(f) change the currency of payment of principal of or interest (including Contingent Interest and Additional Interest, if any), on any Security;

(g) impair the right of any Holder to institute suit for the enforcement of any payment in or with respect to any Security;

(h) modify the obligation of the Company to maintain an office or agency in The City of New York pursuant to Section 9.2;

(i) modify the provisions in Article 10 relating to the redemptions of the Securities in a manner adverse to the Holders of the Securities;

(j) modify any of the provisions of in Article 11 relating to the Company's Obligation to repurchase the Securities at the option of the Holders on specified repurchase dates or upon a Fundamental Change in a manner that is adverse to the Holders of the Securities;

(k) reduce the requirements of Section 8.4 for quorum or voting requirements for consent to any modification of the Indenture that does not require the consent of each affected Holder;

(l) modify the provisions of Article 12 with respect to the type of consideration a Holder will receive upon conversion of the Securities; or

(m) modify the provisions of Article 7 with respect to the modification of this Indenture or waiver under this Indenture.

It shall not be necessary for any Act of Holders of Securities under this Section 7.2 to approve the particular form of any proposed supplemental

indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 7.3 COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment to this Indenture or the Securities shall be set forth in a supplemental indenture that complies with the TIA as then in effect.

SECTION 7.4 REVOCATION OF CONSENTS AND EFFECT OF CONSENTS OR VOTES.

Until an amendment, supplement or waiver becomes effective, a written consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on any Security; provided, however, that unless a record date shall have been established, any such Holder or subsequent Holder may revoke the consent as to its Security or portion of a Security if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective.

An amendment, supplement or waiver becomes effective on receipt by the Trustee of written consents from or affirmative votes by, as the case may be, the Holders of the requisite percentage of aggregate principal amount of the Outstanding Securities, and thereafter shall bind every Holder of Securities; provided, however, if the amendment, supplement or waiver makes a change described in any of the clauses (a) through (m) of Section 7.2, the amendment, supplement or waiver shall bind only each Holder of a Security which has consented to it or voted for it, as the case may be, and every subsequent Holder of a Security or portion of a Security that evidences the same indebtedness as the Security of the consenting or affirmatively voting Holder, as the case may be.

SECTION 7.5 NOTATION ON OR EXCHANGE OF SECURITIES.

If an amendment, supplement or waiver changes the terms of a Security:

(a) the Trustee may require the Holder of a Security to deliver such Securities to the Trustee, the Trustee may place an appropriate notation on the Security about the changed terms and return it to the Holder and the Trustee may place an appropriate notation on any Security thereafter authenticated; or

(b) if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms.

Failure to make the appropriate notation or issue a new Security shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 7.6 TRUSTEE TO SIGN AMENDMENT, ETC.

The Trustee shall sign any amendment authorized pursuant to this Article 7 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If the amendment does adversely affect the rights, duties, liabilities or immunities of the Trustee, the Trustee may but need not sign it. In signing or refusing to sign such amendment, the Trustee shall be entitled to receive and shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel as conclusive evidence that such amendment is authorized or permitted by this Indenture.

SECTION 7.7 FORM OF CONSENT.

The consent of the Holders of Securities is not necessary under this Indenture to approve the particular form of any proposed modification or amendment. It is sufficient if such consent approves the substance of the proposed modification or amendment. After a modification or amendment under this Indenture becomes effective, the Company shall mail to the Holders a notice briefly describing such modification or amendment. However, the failure to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of the modification or amendment.

ARTICLE 8

MEETING OF HOLDERS OF SECURITIES

SECTION 8.1 PURPOSES FOR WHICH MEETINGS MAY BE CALLED.

A meeting of Holders of Securities may be called at any time and from

time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities.

SECTION 8.2 CALL NOTICE AND PLACE OF MEETINGS.

(a) The Trustee may at any time call a meeting of Holders of Securities for any purpose specified in Section 8.1, to be held at such time and at such place in The City of New York. Notice of every meeting of Holders of Securities, setting forth the time and the place of such meeting and

in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 15.2, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in principal amount of the Outstanding Securities shall have requested the Trustee to call a meeting of the Holders of Securities for any purpose specified in Section 8.1, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities in the amount specified, as the case may be, may determine the time and the place in The City of New York for such meeting and may call such meeting for such purposes by giving notice thereof as provided in paragraph (a) of this Section 8.2.

SECTION 8.3 PERSONS ENTITLED TO VOTE AT MEETINGS.

To be entitled to vote at any meeting of Holders of Securities, a Person shall be (a) a Holder of one or more Outstanding Securities, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 8.4 QUORUM; ACTION.

The Persons entitled to vote a majority in principal amount of the Outstanding Securities shall constitute a quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities, be dissolved. In any other case, the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in Section 8.2(a), except that such notice need be given only once and not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the principal amount of the Outstanding Securities which shall constitute a quorum.

Subject to the foregoing, at the reconvening of any meeting adjourned for a lack of a quorum, the Persons entitled to vote 25% in aggregate principal amount of the Outstanding Securities at the time shall constitute a quorum for the taking of any action set forth in the notice of the original meeting.

At a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid, any resolution and all matters (except as limited by the proviso to Section 7.2) shall be effectively passed and decided if passed or decided by the Persons entitled to vote not less than a majority in principal amount of Outstanding Securities represented and voting at such meeting.

Any resolution passed or decisions taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities, whether or not present or represented at the meeting.

SECTION 8.5 DETERMINATION OF VOTING RIGHTS; CONDUCT AND ADJOURNMENT OF MEETINGS.

(a) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 15.4 and the appointment of any proxy shall be proved in the manner specified in Section 15.4. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 15.4 or other proof.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman (which may be the Trustee) of the meeting, unless the meeting shall have been called by the Company or by Holders of Securities as provided in Section 8.2(b), in which case the Company or the Holders of Securities calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the Outstanding Securities represented at the meeting.

(c) At any meeting, each Holder of a Security or proxy shall be entitled to one vote for each $1,000 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(d) Any meeting of Holders of Securities duly called pursuant to Section 8.2 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the Outstanding Securities represented at the meeting, and the meeting may be held as so adjourned without further notice.

SECTION 8.6 COUNTING VOTES AND RECORDING ACTION OF MEETINGS.

The vote upon any resolution submitted to any meeting of Holders of Securities shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders of Securities shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 8.2 and, if applicable, Section 8.4. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE 9

COVENANTS

SECTION 9.1 PAYMENT OF PRINCIPAL AND INTEREST.

The Company will duly and punctually pay the principal of and interest (including Contingent Interest and Additional Interest, if any) in respect of the Securities in accordance with the terms of the Securities and this Indenture.

SECTION 9.2 MAINTENANCE OF OFFICES OR AGENCIES.

The Company hereby appoints the Corporate Trust Office of the Trustee, where Securities may be:

(i) presented or surrendered for payment;

(ii) surrendered for registration of transfer or exchange;

(iii) surrendered for conversion;

and where notices and demands to or upon the Company in respect of the Securities and this Indenture maybe served.

The Company may at any time and from time to time vary or terminate the appointment of any such office or appoint any additional offices for any or all of such purposes; provided, however, that until all of the Securities have been delivered to the Trustee for cancellation, or monies sufficient to pay the principal of and interest (including Contingent Interest and Additional Interest, if any) on the Securities have been made available for payment and either paid or returned to the Company pursuant to the provisions of Section 9.3, the Company will maintain in The City of New York, an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange, where Securities may be surrendered for conversion and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee, and notice to the Holders in accordance with Section 15.2, of the appointment or termination of any such Agents and of the location and any change in the location of any such office or agency.

If at any time the Company shall fail to maintain any such required office or agency in The City of New York, or shall fail to furnish the Trustee with the address thereof, presentations and surrenders may be made at, and notices and demands may be served on, the Corporate Trust Office of the Trustee.

SECTION 9.3 CORPORATE EXISTENCE.

Subject to Article 6, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Company determines that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

SECTION 9.4 PAYMENT OF TAXES AND OTHER CLAIMS.

The Company will, and will cause any Significant Subsidiary to, promptly pay and discharge or cause to be paid and discharged all material taxes, assessments and governmental charges or levies lawfully imposed upon it or upon its income or profits or upon any of its property, real or personal, or upon any part thereof, as well as all material claims for labor, materials and supplies which, if unpaid, might by law become a Lien or charge upon its property; provided, however, that neither the Company nor any Significant Subsidiary shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge, levy, or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and if the Company or such Significant Subsidiary, as the case may be, shall have set aside on its books reserves deemed by it adequate with respect thereto.

SECTION 9.5 REPORTS.

(a) The Company shall deliver to the Trustee, or file electronically with the SEC through the SEC's Electronic Data Gathering, Analysis and Retrieval system (or any successor thereto), within 15 days after it files them with the SEC copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act; provided, however, the Company shall not be required to deliver to the Trustee any materials for which the Company has sought and received confidential treatment by the SEC. The Company also shall comply with the other provisions of Section 314(a) of the TIA.

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

(c) If at any time the Company is not subject to Section 13 or 15(d) of the Exchange Act, upon the request of a Holder of a Security, the Company will promptly furnish or cause to be furnished to such Holder or to a prospective purchaser of such Security designated by such Holder, as the case may be, the information, if any, required to be delivered by it pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with the resale of such Security.

SECTION 9.6 COMPLIANCE CERTIFICATE.

The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company (which as of the date hereof is December 31), an Officers' Certificate stating that in the course of the performance by the signers of their duties as Officers of the Company, they would normally have knowledge of any failure by the Company to comply with all conditions, or any Default by the Company with respect to any covenants, under this Indenture, and further stating whether or not they have knowledge of any such failure or Default and, if so, specifying each such failure or Default and the nature thereof. In the event an Officer of the Company comes to have actual knowledge of a Default, regardless of the date, the Company shall deliver an Officers' Certificate to the Trustee specifying such Default and the nature and status thereof.

SECTION 9.7 TAX TREATMENT.

The Company agrees, and by purchasing a Beneficial Ownership interest in the Securities each Holder of Securities will be deemed to have agreed, for United States federal income tax purposes

(1) to treat the Securities as indebtedness that is subject to Treas. Reg. Sec. 1.1275-4 (the "Contingent Payment Regulations") and, for purposes of the Contingent Payment Regulations, to treat the Fair Market Value of any stock beneficially received by a beneficial Holder upon any conversion of the Securities as a contingent payment and (2) to be bound by the Company's determination of the "comparable yield" and "projected payment schedule," within the meaning of the Contingent Payment Regulations, with respect to the Securities. The Company agrees to provide promptly to Holder of Securities, upon written request, the amount of original issue discount, issue date, yield to maturity, comparable yield and projected payment schedule. Any such written request should be sent to the Company at the following address: L-3 Communications Corporation, 600 Third Avenue, 34th Floor, New York, New York 10016, Attention: Investor Relations.

SECTION 9.8 ADDITIONAL INTEREST.

If Additional Interest is payable by the Company pursuant to the Registration Rights Agreement, the Company shall deliver to the Trustee an Officers' Certificate to that effect stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such Additional Interest is payable. Unless and until a Responsible Officer of the Trustee receives such a certificate, the Trustee may assume without inquiry that no Additional Interest is payable. If the Company has paid Additional Interest directly to the persons entitled to them, the Company shall deliver to the Trustee an Officers' Certificate setting forth the particulars of such payment.

ARTICLE 10

REDEMPTION OF SECURITIES

SECTION 10.1 [SECTION INTENTIONALLY OMITTED]

SECTION 10.2 OPTIONAL REDEMPTION.

At any time on or after February 1, 2011, the Company may redeem in cash all or a part of the Securities at a Redemption Price equal to 100% of the principal amount of the Securities being redeemed, plus accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to, but excluding, the Redemption Date. However, if the Redemption Date is after a Record Date and on or prior to the corresponding Interest Payment Date, the interest (including Contingent Interest and Additional Interest, if any) will be paid on the Redemption Date to the Holder of record on the Record Date.

If the Company exercises its option to redeem Securities pursuant to this Section 10.2, a Holder may nevertheless exercise its right to convert such Securities pursuant to Article 12 until 5:00 p.m., New York City time, on the day that is one Business Day immediately preceding the Redemption Date, even if the Securities are not otherwise convertible at that time.

SECTION 10.3 NOTICE TO TRUSTEE.

If the Company elects to redeem Securities pursuant to the provisions of Section 10.2, it shall notify the Trustee at least 45 days (unless a shorter period is reasonably acceptable to the Trustee) prior to the intended Redemption Date of (i) such intended Redemption Date, (ii) the principal amount of Securities to be redeemed and (iii) the CUSIP numbers of the Securities to be redeemed.

SECTION 10.4 SELECTION OF SECURITIES TO BE REDEEMED.

If fewer than all the Securities are to be redeemed, the Trustee shall select the particular Securities to be redeemed in principal amounts of $1,000 or integral multiples of $1,000 from the Outstanding Securities by a method that complies with the requirements of any exchange on which the Securities are listed, or, if the Securities are not listed on an exchange, on a pro rata basis or by lot or in accordance with any other method the Trustee considers fair and appropriate. Securities and portions thereof that the Trustee selects shall be in amounts equal to the minimum authorized denominations for Securities to be redeemed or any integral multiple thereof.

If any Security selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Security so selected, the converted portion of such Security shall be deemed to be the portion selected for redemption; provided, however, that the Holder of such Security so converted and deemed redeemed shall not be entitled to any additional interest payment as a result of such deemed redemption than such Holder would have otherwise been entitled to receive upon conversion of such Security. Securities which have been converted during a selection of Securities to be redeemed may be treated by the Trustee as Outstanding for the purpose of such selection.

The Company will not be required to:

(1) issue, register the transfer of, or exchange any Securities during the period of 15 days before the mailing of the notice of redemption, or

(2) register the transfer of or exchange any Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Securities being redeemed in part. The Company may not redeem the Securities if it has failed to pay interest on the Securities and such failure to pay is continuing.

The Trustee shall promptly notify the Company and the Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 10.5 NOTICE OF REDEMPTION.

Notice of redemption shall be given in the manner provided in Section 15.2 to the Holders of Securities to be redeemed. Such notice shall be given not less than 20 nor more than 60 days prior to the intended Redemption Date.

All notices of redemption shall state:

(1) that the Holder has a right to convert the Securities called for redemption and the Conversion Rate then in effect, the date on which the right to convert the principal of the Securities to be redeemed will terminate and the places where such Securities may be surrendered for conversion;

(2) the intended Redemption Date;

(3) the date on which the Conversion Period will begin;

(4) the Redemption Price and interest (including Contingent Interest and Additional Interest, if any) accrued and unpaid to, but excluding, the Redemption Date, if any;

(5) whether the Company has elected to settle any Conversion Value in excess of $1,000 per $1,000 principal amount of the Securities converted by delivering shares of Common Stock;

(6) if fewer than all the Outstanding Securities are to be redeemed, the aggregate principal amount of Securities to be redeemed and the aggregate principal amount of Securities which will be Outstanding after such partial redemption;

(7) that on the Redemption Date the Redemption Price and interest (including Contingent Interest and Additional Interest, if any) accrued and unpaid to, but excluding, the Redemption Date, if any, will become due and payable upon each such Security to be redeemed, and that interest (including Contingent Interest and Additional Interest, if any) thereon shall cease to accrue on and after such date;

(8) the place or places where such Securities are to be surrendered for payment of the Redemption Price, accrued and unpaid interest (including Contingent Interest and Additional Interest, if any); and

(9) the CUSIP number of the Securities.

The notice given shall specify the last date on which exchanges or transfers of Securities may be made pursuant to Section 2.7, and shall specify the serial numbers of Securities, if Physical Securities are selected for redemption, and the portions thereof called for redemption.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name of and at the expense of the Company.

SECTION 10.6 EFFECT OF NOTICE OF REDEMPTION.

Notice of redemption having been given as provided in Section 10.5, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified plus interest (including Contingent Interest and Additional Interest, if any) and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued and unpaid interest) such Securities shall cease to bear interest (Contingent Interest and Additional Interest, if any). Upon surrender of any such Security for redemption in accordance with such notice, such Security shall be paid by the Company at the Redemption Price; provided, however, the installments of interest on Securities whose Stated Maturity is prior to or on the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Record Date according to their terms and the provisions of Section 2.7.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest (including Contingent Interest and Additional Interest, if any) from the Redemption Date at the applicable rate.

SECTION 10.7 DEPOSIT OF REDEMPTION PRICE.

Prior to 11:00 a.m. New York City time on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent an amount of money sufficient to pay the Redemption Price, and accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) in respect of all the Securities to be redeemed on that Redemption Date, other than any Securities called for redemption on that date which have been converted prior to the date of such deposit, and accrued and unpaid interest, if any, on such Securities.

If any Security called for redemption is converted, any money deposited with the Trustee or with a Paying Agent or so segregated and held in trust for the redemption of such Security shall be paid to the Company on Company Order or, if then held by the Company, shall be discharged from such trust.

SECTION 10.8 SECURITIES REDEEMED IN PART.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company designated for that purpose pursuant to Section 9.2 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or the Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE 11

REPURCHASE AT THE OPTION OF THE HOLDER UPON SPECIFIC REPURCHASE DATES OR A FUNDAMENTAL CHANGE

SECTION 11.1 OPTIONAL REPURCHASE DATES.

On February 1, 2011, February 1, 2016, February 1, 2021, February 1, 2026 and February 1, 2031, Holders will have the right (the "Optional Repurchase Right") to require the Company to repurchase, at the Optional Repurchase Price, all or part of the Securities for which such Holder has properly delivered and not withdrawn a written repurchase notice. The Securities submitted for repurchase must be $1,000 in principal amount or whole multiples thereof.

The Optional Repurchase Price will be payable in cash and will equal 100% of the principal amount of the Securities being repurchased, plus accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to, but excluding, the Optional Repurchase Date (the "Optional Repurchase Price"). However, if the Optional Repurchase Date is after a Record Date and on or prior to the corresponding Interest Payment Date, the interest (including Contingent Interest and Additional Interest, if any) will be paid on the Optional Repurchase Date to the Holder of record on the Record Date.

The Company will give notice at least 20 Business Days prior to each Optional Repurchase Date to all record Holders at their addresses shown in the Register of the Registrar and to Beneficial Owners as required by applicable law. The notice shall state:

(1) the Optional Repurchase Date;

(2) the date by which the Optional Repurchase Right must be exercised;

(3) the Optional Repurchase Price;

(4) the Conversion Rate then in effect, the date on which the right to convert the principal amount of the Securities to be repurchased will terminate and the place where such Securities may be surrendered for conversion;

(5) whether the Company has elected to settle any Conversion Value in excess of $1,000 per $1,000 principal amount of the Securities converted, if any, by delivering shares of Common Stock in the event a Holder elects to convert the Securities in accordance with Section 12.1(a)(4);

(6) the place or places where such Securities are to be delivered for payment of the Optional Repurchase Price and accrued and unpaid interest, if any; and

(7) the CUSIP number of the Securities.

To exercise the Optional Repurchase Right, a Holder must deliver at any time from 9:00 a.m., New York City time, on the date that is 20 Business Days prior to the applicable Optional Repurchase Date to 5:00 p.m., New York City time, on the applicable Optional Repurchase Date, a written notice to the Paying Agent of such Holder's exercise of its Optional Repurchase Right (together with the Securities to be repurchased, if Physical Securities have been issued). The repurchase notice must:

(1) if the Holder holds a beneficial interest in a Global Securities, comply with appropriate DTC procedures;

(2) if the Holder holds Physical Securities, state the Securities certificate numbers;

(3) state the portion of the principal amount of such Holder's

Securities to be repurchased, which must be in $1,000 multiples; and

(4) state that the Securities are to be repurchased by the Company pursuant to the applicable provisions of the Securities and this Indenture.

A Holder may withdraw its repurchase notice at any time prior to 5:00 p.m., New York City time, on the applicable Optional Repurchase Date, by delivering a written notice of withdrawal to the Paying Agent. If a repurchase notice is given and withdrawn during that period, the Company will not be obligated to repurchase the Securities listed in the repurchase notice. The withdrawal notice must:

(1) if the Holder holds a beneficial interest in a Global Securities, comply with appropriate DTC procedures;

(2) if the Holder holds Physical Securities, state the certificate numbers of the withdrawn Securities;

(3) state the principal amount of the withdrawn Securities; and

(4) state the principal amount, if any, which remains subject to the repurchase notice.

Payment of the Optional Repurchase Price for Securities for which a repurchase notice has been delivered and not withdrawn is conditioned upon book-entry transfer or delivery of the Securities, together with necessary endorsements, to the Paying Agent, as the case may be. Payment of the Optional Repurchase Price for the Securities will be made promptly following the later of the Optional Repurchase Date and the time of book-entry transfer or delivery of the Securities, as the case may be.

If the Paying Agent holds on the Business Day immediately following the Optional Repurchase Date cash sufficient to pay the Optional Repurchase Price of the Securities that Holders have elected to require the Company to repurchase, then, as of the Optional Repurchase Date:

(1) those Securities will cease to be outstanding and interest (including Contingent Interest and Additional Interest, if any) will cease to accrue, whether or not book-entry transfer of the Securities has been made or the Securities have been delivered to the Paying Agent, as the case may be; and

(2) all other rights of the Securities Holders will terminate, other than the right to receive the Optional Repurchase Price upon delivery or transfer of the Securities.

In connection with any repurchase, the Company will, to the extent applicable:

(1) comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act that may be applicable at the time of the offer to repurchase the Securities;

(2) file a Schedule TO or any other schedule required in connection with any offer by the Company to repurchase the Securities; and

(3) comply with all other federal and state securities laws in connection with any offer by the Company to repurchase the Securities.

SECTION 11.2 FUNDAMENTAL CHANGE REPURCHASE RIGHT.

In the event that a Fundamental Change shall occur at any time prior to Maturity, each Holder shall have the right (the "Fundamental Change Repurchase Right"), at the Holder's option, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, some or all of such Holder's Securities not theretofore called for redemption, or any portion of the principal amount thereof that is equal to any integral multiple of $1,000 (provided that no single Security may be repurchased in part unless the portion of the principal amount of such Security to be Outstanding after such repurchase is equal to an integral multiple of $1,000), on the date specified in the Fundamental Change Company Notice given pursuant to Section 11.3 in connection with such Fundamental Change (the "Fundamental Change Repurchase Date") that is no earlier than 20 days nor later than 35 days after the date of such Fundamental Change Company Notice.

The Fundamental Change Repurchase Price will be payable in cash and

will equal 100% of the principal amount of the Securities being repurchased, plus accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to, but excluding, the Repurchase Date (the "Fundamental Change Repurchase Price"). However, if the Fundamental Change Repurchase Date is after a Record Date and on or prior to the corresponding Interest Payment Date, the interest (including Contingent Interest and Additional Interest, if any) will be paid on the Fundamental Change Repurchase Date to the Holder of record on the Record Date.

SECTION 11.3 NOTICES; METHOD OF EXERCISING FUNDAMENTAL CHANGE REPURCHASE RIGHT, ETC.

(a) On or before the fifth calendar day after the occurrence of a Fundamental Change, the Company shall give to all Holders and to Beneficial Owners (to the extent required by applicable law) of Securities on the date of the Fundamental Change notice, in the manner provided in Section 15.2, of the occurrence of the Fundamental Change and of the Fundamental Change Repurchase Right set forth herein arising as a result thereof (the "Fundamental Change Company Notice"). The Company shall also deliver a copy of such Fundamental Change Company Notice to the Trustee and the Paying Agent. Each Fundamental Change Company Notice shall state:

(1) the Fundamental Change Repurchase Date;

(2) the date by which the Fundamental Change Repurchase Right must be exercised;

(3) the Fundamental Change Repurchase Price;

(4) that on the Fundamental Change Repurchase Date the Fundamental Change Repurchase Price will become due and payable in cash upon each such Security designated by the Holder to be repurchased, and that interest (including Contingent Interest and Additional Interest, if any) thereon shall cease to accrue on and after said date;

(5) the Conversion Rate then in effect, the date on which the right to convert the principal amount of the Securities to be repurchased will terminate and the place where such Securities may be surrendered for conversion;

(6) whether the Company has elected to settle any Conversion Value in excess of $1,000 per $1,000 principal amount of the Securities converted, if any, by delivering shares of Common Stock in the event a Holder elects to convert the Securities in accordance with Section 12.1(a)(5);

(7) the place or places where such Securities, together with the Notice of Exercise of Repurchase Right certificate included in Exhibit A annexed hereto, are to be delivered for payment of the Fundamental Change Repurchase Price;

(8) the CUSIP number of the Securities;

(9) a description of the event causing the Fundamental Change; and

(10) any other procedures Holders must follow to require the Company to repurchase the Securities.

No failure of the Company to give the foregoing notices or defect therein shall limit any Holder's right to exercise a Fundamental Change Repurchase Right or affect the validity of the proceedings for the repurchase of Securities.

If any of the foregoing provisions or other provisions of this Article 11 are inconsistent with applicable law, such law shall govern.

(b) To exercise its Fundamental Change Repurchase Right, a Holder shall deliver to the Paying Agent prior to 5:00 p.m., New York City time, on the Fundamental Change Repurchase Date:

(1) written notice of the Holder's exercise of such right, which

notice shall set forth the name of the Holder, the principal amount of the Securities to be repurchased which must be $1,000 or whole multiples thereof (and, if any Security is to be repurchased in part, the serial number thereof, the portion of the principal amount thereof to be repurchased) and a statement that an election to exercise the Fundamental Change Repurchase Right is being made thereby;

(2) the Securities with respect to which the Fundamental Change Repurchase Right is being exercised and the applicable provision in this Indenture pursuant to which the Fundamental Change Repurchase Right is being exercised;

(3) if the Holder holds a beneficial interest in Global Securities such Holder's notice must comply with the appropriate DTC procedures; and

(4) if the Holder holds Physical Securities, the Securities certificate numbers.

The right of the Holder to convert the Securities with respect to which the Fundamental Change Repurchase Right is being exercised shall continue until 5:00 p.m., New York City time, on the Business Day immediately preceding the Fundamental Change Repurchase Date provided that the Holder delivers notice to the Paying Agent prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date.

(c) In the event a Fundamental Change Repurchase Right shall be exercised in accordance with the terms hereof, the Company shall pay or cause to be paid to the Trustee the Fundamental Change Repurchase Price in cash, as provided above, for payment to the Holder on the Fundamental Change Repurchase Date, payable in cash with respect to the Securities as to which the Fundamental Change Repurchase Right has been exercised.

(d) If any Security (or portion thereof) surrendered for repurchase shall not be so paid on the Fundamental Change Repurchase Date, the principal amount of such Security (or portion thereof, as the case may be) shall, until paid, bear interest (including Contingent Interest and Additional Interest, if any) to the extent permitted by applicable law from the Fundamental Change Repurchase Date at the applicable rate and each Security shall remain convertible into cash and Common Stock until the principal of such Security (or portion thereof, as the case may be) shall have been paid or duly provided for.

(e) Any Security which is to be repurchased only in part shall be surrendered to the Trustee (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities, containing identical terms and conditions, each in an authorized denomination in aggregate principal amount equal to and in exchange for the unrepurchased portion of the principal of the Security so surrendered.

(f) All Securities delivered for repurchase shall be delivered to the Trustee to be canceled at the direction of the Trustee, which shall dispose of the same as provided in Section 2.15.

(g) Holders may withdraw their repurchase notice at any time prior to 5:00 p.m., New York City time, on the Fundamental Change Repurchase Date by delivering a written notice of withdrawal to the Paying Agent. If a repurchase notice is given and withdrawn during that period, the Company will not be obligated to repurchase the Securities listed on the repurchase notice. The withdrawal notice must:

(i) if the Holder holds a beneficial interest in a Global Security, comply with appropriate DTC procedures;

(ii) if the Holder holds Physical Securities, state the certificate numbers of the withdrawn Securities;

(iii) state the principal amount of the withdrawn Securities; and

(iv) state the principal amount, if any, which remain subject to the repurchase notice.

(h) The Company will publicly announce the results of the Fundamental Change Repurchase Right offer on or as soon as practicable after it closes.

ARTICLE 12

CONVERSION OF SECURITIES

SECTION 12.1 CONVERSION RIGHT AND CONVERSION RATE.

(a) Subject to and upon compliance with the provisions of this Article, at the option of the Holder thereof, any Security or any portion of the principal amount thereof which is an integral multiple of $1,000 may be converted, prior to 5:00 p.m., New York City time, on the Business Day preceding the Maturity Date at the principal amount thereof, or of such portion thereof, into cash, or at the option of the Company as described below, cash and duly authorized, fully paid and nonassessable shares of Common Stock, at the Conversion Rate, determined as hereinafter provided, in effect at the time of conversion only under the following circumstances:

(1) prior to August 1, 2033, on any date during any fiscal quarter of the Company beginning after September 30, 2005 (and only during such fiscal quarter), if the Closing Sale Price of the Common Stock was more than 120% of the then current Conversion Price for at least 20 Trading Days in the period of the 30 consecutive Trading-Days ending on the last Trading Day of the previous fiscal quarter;

(2) on or after August 1, 2033, at all times on or after any date on which the Closing Sale Price of the Common Stock is more than 120% of the then current Conversion Price;

(3) during the five consecutive Business-Day period following any five consecutive Trading-Day period in which the average of the Trading Prices for the Securities for that five Trading Day Period was less than 98% of the average of the Closing Sale Prices of the Common Stock during that period multiplied by the then current Conversion Rate;

(4) if the Company has called the Securities for redemption, until the close of business on the Business Day prior to the Redemption Date;

(5) during the period specified in clause (b) below if a Fundamental Change occurs; or

(6) upon the occurrence of the corporate transactions specified in clause (c) of this Section 12.1.

For each fiscal quarter of the Company commencing prior to August 1, 2033, beginning with the fiscal quarter beginning October 1, 2005, the Company will determine, on the first Business Day following the last Trading Day of the prior fiscal quarter, whether the Securities are convertible pursuant to clause (1) above. From August 1, 2033, the Company, on a daily basis, whether the Securities are convertible pursuant to clause (2) above. Whenever the Securities shall become convertible pursuant to this Section 12.1, the Company or, at the Company's written request, the Trustee in the name and at the expense of the Company, shall notify the Holders of the event triggering such convertibility in the manner provided in Section 15.2, and the Company shall also publicly announce such information and publish it on the Company's website. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice.

The Company shall have no obligation to determine the Trading Price of the Securities and whether the Securities are convertible pursuant to clause (3) above unless a holder of the Securities provides the Company with reasonable evidence that the Trading Price per $1,000 principal amount of Securities is less than 98% of the product of the Closing Sale Price of the Common Stock and the Conversion Rate then in effect per $1,000 principal amount of Securities. At such time, the Company shall determine the Trading Price of the Securities and shall determine whether the Securities are subject to conversion pursuant to clause (3) above.

(b) If a Fundamental Change occurs, holders may convert Securities at any time beginning on the Business Day following the effective date of the Fundamental Change and until and including 5:00 p.m., New York City time, on the Business Day preceding the Fundamental Change Repurchase Date. To the extent the Company is aware of any such effective date, it shall notify the Holders of the anticipated effective date of any Fundamental Change at least 20 calendar days prior to such date.

(c) In addition, in the event that the Company distributes to all holders of its Common Stock (A) rights or warrants (other than pursuant to a

rights plan) entitling them to purchase, for a period of 45 calendar days or less, shares of Common Stock at a price per share less than the average Closing Sale Price of the Common Stock for the ten Trading Days immediately preceding the declaration for such distribution or (B) cash or other assets, debt securities or rights to purchase its securities (other than pursuant to a rights plan), where the Fair Market Value of such distribution per share of Common Stock exceeds 10% of the Closing Sale Price of a share of Common Stock on the Trading Day immediately preceding the date of declaration for such distribution, then, in each case, the Securities may be surrendered for conversion at any time on and after the date that the Company gives notice to the Holders of such right, which shall be not less than 20 calendar days prior to the Ex-Dividend Time for such distribution, until the earlier of 5:00 p.m., New York City time, on the Business Day immediately preceding the Ex-Dividend Time and the date the Company announces that such distribution will not take place.

To the extent that the cash and any combination of cash and Common Stock received by a Holder of the Securities upon the conversion of the Securities is subject to U.S. withholding tax and

such cash and Common Stock is not sufficient to comply with the Company's U.S. withholding obligations with respect to such payments, the Company may, to the extent required by law, recoup or set-off such liability against any payments made with respect to the cash and Common Stock received upon conversion, including, but not limited to any actual cash dividends or distributions subsequently made with respect to such Common Stock.

Notwithstanding the foregoing, in the case of a distribution pursuant to Section 12.1(c), no adjustment to the ability of a Holder of Securities to convert will be made if the Holder participates or will participate in the distribution without conversion as a result of holding Securities.

The conversion right shall expire at the close of business on the Business Day immediately preceding August 1, 2035.

SECTION 12.2 EXERCISE OF CONVERSION RIGHT.

To exercise the conversion right with respect to any Physical Securities, the Holder of Physical Securities to be converted shall surrender such Physical Security duly endorsed or assigned to the Company or in blank, at the office of any Conversion Agent, accompanied by a duly signed conversion notice substantially in the form attached hereto as Exhibit D (the "Conversion Notice"), to the Company, with a copy to the Trustee, stating that the Holder elects to convert such Security or, if less than the entire principal amount thereof is to be converted, the portion thereof to be converted. In addition, the Holder must furnish appropriate endorsements and transfer documents if required by the Company or the Trustee or Conversion Agent; and pay the funds with respect to the interest (including Contingent Interest and Additional Interest, if any), any transfer tax or similar taxes if required pursuant to this Indenture.

In order to exercise the conversion right with respect to any interest in Global Securities, the Holder must complete, or cause to be completed, the Conversion Notice and the appropriate instructions form for conversion pursuant to the Depositary's book-entry conversion program; deliver, or cause to be delivered, by book-entry delivery an interest in such Global Securities.

Except as set forth in the next sentence, Securities surrendered for conversion during the period from 5:00 p.m., New York City time, on any Regular Record Date but prior to 5:00 p.m., New York City time, on the next succeeding Interest Payment Date shall be accompanied by payment in New York Clearing House funds or other funds acceptable to the Company of an amount equal to the interest (including Contingent Interest and Additional Interest, if any) to be received on such Interest Payment Date on the principal amount of Securities being surrendered for conversion. Notwithstanding the foregoing, a Holder is not required to make such payment (a) if such Holder converts its Securities in connection with a redemption and the Company has specified a Redemption Date that is after a Record Date and on or prior to the corresponding Interest Payment Date; (b) if such Holder converts its Securities in connection with a Fundamental Change and the Company has specified a Fundamental Change Repurchase Date that is after a Record Date and on or prior to the corresponding Interest Payment Date; or (c) to the extent of any overdue interest (including overdue Contingent Interest and Additional Interest, if any), if overdue interest (or overdue Contingent Interest and Additional Interest, if any) exists at the time of conversion with respect to such Holder's Securities.

Except as described in this Section 12.2 and Section 12.4, the Company will not make any payment or other adjustment for interest accrued (including Contingent Interest and Additional Interest, if any) on any Securities converted

or for any dividends on any Common Stock issued upon conversion of the Securities. Accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) and accrued tax original issue discount (if any) to the Conversion Date shall be deemed to

be paid in full with the cash paid or combination of cash paid and shares of Common Stock issued upon conversion rather than cancelled, extinguished or forfeited.

Securities shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such Securities for conversion in accordance with the provisions of this Article 12, including any required payments, and at such time the rights of the Holders of such Securities as Holders shall cease, and the Person or Persons entitled to receive the cash and Common Stock, if any, issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Stock, if any, at such time. As promptly as practicable on or after the conversion date, the Company shall cause to be issued and delivered to such Conversion Agent cash, and in certain circumstances, any stock certificate or stock certificates representing the number of full shares of Common Stock issuable upon conversion of such Securities, together with payment in lieu of any fraction of a share as provided in Section 12.3.

In the case of any Security which is converted in part only, upon such conversion the Company shall execute and the Trustee shall authenticate and make available for delivery to the Holder thereof, at the expense of the Company, a new Security or Securities of authorized denominations in aggregate principal amount equal to the unconverted portion of the principal amount of such Securities.

If shares of Common Stock to be issued upon conversion of a Restricted Security, or Securities to be issued upon conversion of a Restricted Security in part only, are to be registered in a name other than that of the Holder of such Restricted Security, such Holder must deliver to the Conversion Agent a certificate in substantially the form set forth in the form of Security set forth in Exhibit A annexed hereto, dated the date of surrender of such Restricted Security and signed by such Holder, as to compliance with the restrictions on transfer applicable to such Restricted Security. Neither the Trustee nor any Conversion Agent, Registrar or Transfer Agent shall be required to register in a name other than that of the Holder shares of Common Stock or Securities issued upon conversion of any such Restricted Security not so accompanied by a properly completed certificate.

The Company hereby initially appoints The Bank of New York as the Conversion Agent.

SECTION 12.3 FRACTIONS OF SHARES.

In the event that a portion of the consideration to be paid to a Holder upon conversion is paid in shares of Common Stock, no fractional shares of Common Stock shall be issued upon conversion of any Security or Securities. If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares which shall be issued upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Securities (or specified portions thereof) so surrendered. Instead of any fractional share of Common Stock which would otherwise be issued upon conversion of any Security or Securities (or specified portions thereof), the Company shall pay a cash adjustment in respect of such fraction (calculated to the nearest one-100th of a share) in an amount equal to the same fraction of the Closing Sale Price of the Common Stock as of the Trading Day preceding the date of conversion.

SECTION 12.4 ADJUSTMENT OF CONVERSION RATE.

The Conversion Rate shall be subject to adjustment, calculated by the Company, from time to time as follows:

(a) In case the Company shall hereafter pay a dividend or make a distribution to all holders of the outstanding Common Stock in shares of Common Stock, the Conversion Rate in

effect at the opening of business on the date following the date fixed for the determination of stockholders entitled to receive such dividend or

other distribution shall be increased by dividing such Conversion Rate by a fraction:

(i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the Record Date (as defined in Section 12.4(g)) fixed for such determination; and

(ii) the denominator of which shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution.

Such increase shall become effective immediately after the opening of business on the day following the Record Date. If any dividend or distribution of the type described in this Section 12.4(a) is declared but not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(b) In case the outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased, and conversely, in case outstanding shares of Common Stock shall be combined or reclassified into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, combination or reclassification becomes effective.

(c) In case the Company shall issue rights or warrants (other than any rights or warrants referred to in Section 12.4(d)) to all or substantially all holders of its outstanding shares of Common Stock entitling them to subscribe for or purchase, for a period of less than 45 days, shares of Common Stock at a price per share less than the Current Market Price on the Record Date fixed for the determination of stockholders entitled to receive such rights or warrants, the Conversion Rate shall be adjusted so that the same shall equal the price determined by dividing the Conversion Rate in effect at the opening of business on the date after such Record Date by a fraction:

(i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the Record Date, plus the number of shares which the aggregate offering price of the total number of shares so offered for subscription or purchase would purchase at such Current Market Price; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding on the close of business on the Record Date, plus the total number of additional shares of Common Stock so offered for subscription or purchase.

Such adjustment shall become effective immediately after the opening of business on the day following the Record Date fixed for determination of stockholders entitled to receive such rights or warrants. To the extent that shares of Common Stock are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate which would then be in effect had the

adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of Common Stock actually delivered. In the event that such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the Holders to subscribe for or purchase shares of Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(d) In case the Company shall, by dividend or otherwise, distribute to all or substantially holders of its Common Stock shares of any class of capital stock of the Company (other than any dividends or distributions to which Section 12.4(a) applies) or evidences of its indebtedness, cash or

other assets, including securities, but excluding (1) any rights or warrants referred to in Section 12.4(c), (2) any stock, securities or other property or assets (including cash) distributed in connection with a reclassification, change, merger, consolidation, statutory share exchange, combination, sale or conveyance to which Section 12.12 applies, (3) dividends and distributions paid exclusively in cash or (4) any dividends or distributions described in Section 12.4(a) (the securities and assets described in foregoing clauses (1), (2), (3) and (4) hereinafter in this Section 12.4(d) called the "securities"), then, in each such case, except as otherwise provided in this Section 12.4(d), the Conversion Rate shall be increased by dividing the Conversion Rate in effect immediately prior to the close of business on the Record Date with respect to such distribution by a fraction:

(i) the numerator of which shall be the Current Market Price on such date, less the Fair Market Value on such date of the portion of the securities so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of the Common Stock outstanding on the Record Date); and

(ii) the denominator of which shall be such Current Market Price on such Record Date.

Such increase shall become effective immediately prior to the opening of business on the day following the record date for such distribution. However, in the event that the then Fair Market Value (as so determined) of the portion of the securities so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder shall have the right to receive upon conversion of a Security (or any portion thereof) the amount of securities such Holder would have received had such Holder converted such Security (or portion thereof) immediately prior to such Record Date. In the event that such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 12.4(d) by reference to the actual or when issued trading market for any securities comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period (the "Reference Period") used in computing the Current Market Price pursuant to Section 12.4(g) to the extent possible, unless the Board of Directors in a Board Resolution determines in good faith that determining the Fair Market Value during the Reference Period would not be in the best interest of the Holders.

Notwithstanding the foregoing, in the event any such distribution consists of shares of capital stock of, or similar equity interests in, one or more of the Company's Subsidiaries (a "Spin-Off"), the Conversion Rate shall be increased so that the same shall be equal to the rate determined by dividing the Conversion Rate in effect immediately prior to the close of business on the Record Date with respect to such distribution by a fraction:

(i) the numerator of which shall be shall be the Current Market Price of the Common Stock on such Record Date and

(ii) the denominator of which the Current Market Price of the Common Stock, plus the Fair Market Value of the portion of the distributed assets so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on the Record Date), determined as set forth below; and

such increase shall become effective immediately prior to the opening of business on the day following the last Trading Day of the Spin-Off Valuation Period. In the event that such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. In the case of a Spin-Off, the Fair Market Value of the securities to be distributed shall equal the average of the Closing Sale Prices of such securities on the principal securities market on which such securities are traded for the five consecutive Trading Days commencing on and including the sixth day of trading of those securities after the effectiveness of the Spin-Off (the "Spin-Off Valuation Period"), and the Current Market Price shall be measured for the same period. In the event, however, that an underwritten public offering of the securities in the Spin-Off occurs simultaneously with the Spin-Off, Fair

Market Value of the securities distributed in the Spin-Off shall mean such public offering price of such securities and the Current Market Price shall mean the Closing Sale Price for the Common Stock on the same Trading Day.

Rights or warrants distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"):

(i) are deemed to be transferred with such shares of Common Stock;

(ii) are not exercisable; and

(iii) are also issued in respect of future issuances of Common Stock;

shall be deemed not to have been distributed for purposes of this Section 12.4(d) (and no adjustment to the Conversion Rate under this Section 12.4(d) will be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different securities, evidences of indebtedness or other assets or entitle the holder to purchase a different number or amount of the foregoing or to purchase any of the foregoing at a different purchase price, then the occurrence of each such event shall be deemed to be the date of issuance and record date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of

the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Conversion Rate under this Section 12.4(d):

(1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase; and

(2) in the case of such rights or warrants all of which shall have expired or been terminated without exercise, the Conversion Rate shall be readjusted as if such rights and warrants had never been issued.

For purposes of this Section 12.4(d) and Sections 12.4(a), 12.4(b) and 12.4(c), any dividend or distribution to which this Section 12.4(d) is applicable that also includes shares of Common Stock, a subdivision or combination of Common Stock to which Section 12.4(b) applies, or rights or warrants to subscribe for or purchase shares of Common Stock to which Section 12.4(c) applies (or any combination thereof), shall be deemed instead to be:

(1) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants other than such shares of Common Stock, such subdivision or combination or such rights or warrants to which Sections 12.4(a), 12.4(b) and 12.4(c) apply, respectively (and any Conversion Rate adjustment required by this Section 12.4(d) with respect to such dividend or distribution shall then be made), immediately followed by

(2) a dividend or distribution of such shares of Common Stock, such subdivision or combination or such rights or warrants (and any further Conversion Rate reduction adjustment by Sections 12.4(a), 12.4(b) and 12.4(c) with respect to such dividend or distribution shall then be made), except:

(A) the Record Date of such dividend or distribution shall be substituted as (x) "the date fixed for the determination of stockholders entitled to receive such dividend or other

distribution," "Record Date fixed for such determinations" and "Record Date" within the meaning of Section 12.4(a), (y) "the day upon which such subdivision becomes effective" and "the day upon which such combination becomes effective" within the meaning of Section 12.4(b), and (z) as "the date fixed for the determination of stockholders entitled to receive such rights or warrants," "the Record Date fixed for the determination of the stockholders entitled to receive such rights or warrants" and such "Record Date" within the meaning of Section 12.4(c); and

(B) any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding at the close of business on the date fixed for such determination" within the meaning of Section 12.4(a) and any reduction or increase in the number of shares of Common Stock resulting from such subdivision or combination shall be disregarded in connection with such dividend or distribution.

In the event of any distribution referred to in Section 12.4(d) in which (1) the Fair Market Value of such distribution applicable to one share of Common Stock (determined as provided above) equals or exceeds the average of the Closing Sale Prices of the Common Stock over the ten consecutive Trading Day period ending on the Record Date for such distribution or (2) the average of the Closing Sale Prices of the Common Stock over the ten consecutive Trading Day period ending on the Record Date for such distribution exceeds the Fair Market Value of such distribution by less than $1.00, then, in each such case, in lieu of an adjustment to the Conversion Rate, adequate provision shall be made so that each Holder shall have the right to receive upon conversion of a Security, in addition to shares of Common Stock, the kind and amount of such distribution such Holder would have received had such Holder converted such Security immediately prior to the Record Date for determining the shareholders entitled to receive the distribution.

(e) In case the Company shall, by dividend or otherwise, distribute to all or substantially all holders of its Common Stock cash (other than dividends or distributions made in connection with the Company's liquidation, dissolution or winding-up or upon a merger or consolidation and other than quarterly cash dividends to the extent that such dividends do not exceed (i) $0.125 per share in any quarter or (ii) $0.50 per share in any calendar year (each such number, the "dividend threshold amount," which amount shall be subject to adjustment on an inversely proportional basis whenever the Conversion Rate is adjusted, provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the Conversion Rate pursuant to this Section 12.4(e)), the Conversion Rate shall be adjusted by multiplying the Conversion Rate in effect immediately prior to the Record Date for such dividend or distribution by a fraction:

(i) the numerator of which shall be the Current Market Price of the Common Stock minus the dividend threshold amount, and

(ii) the denominator of which shall be the Current Market Price of the Common Stock minus the amount per share of such dividend or distribution.

If an adjustment is required to be made as set forth in this Section 12.4(e) as a result of a distribution that is not a regular quarterly or annual dividend, the dividend threshold amount will be deemed to be zero. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(f) In case the Company or any of its Subsidiaries makes a payment to holders of Common Stock in respect of a tender or exchange offer made by the Company or one of its Subsidiaries for shares of Common Stock to the extent that the offer involves aggregate consideration that, together with any cash and the Fair Market Value of any other consideration in respect of any tender or exchange offer by the Company or any of its Subsidiaries for shares of Common Stock, exceeds the Closing Sale Price per share of the Common Stock on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Conversion Rate shall be increased by dividing the Conversion Rate in effect immediately prior to the expiration time of such tender or exchange offer (the "Expiration Time") by a fraction of:

(i) the numerator of which shall be the number of shares of Common Stock outstanding (including any tendered shares) at the Expiration Time multiplied by the

Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time; and

(ii) the denominator shall be the sum of (x) the Fair Market Value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) on the Expiration Time and the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time.

Such increase (if any) shall become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Company is obligated to purchase shares pursuant to any such tender offer or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such tender or exchange offer had not been made. If the application of this Section 12.4(f) to any tender offer would result in an decrease in the Conversion Rate, no adjustment shall be made for such tender offer under this Section 12.4(f).

(g) For purposes of this Section 12.4, the following terms shall have the meanings indicated:

(1) "Current Market Price" shall mean the average of the daily Closing Sale Prices per share of Common Stock for the ten consecutive Trading Days immediately prior to the date in question; provided, however, that if:

(i) the "ex" date (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Rate pursuant to Section 12.4(a), (b), (c), (d), (e) or (f) occurs during such ten consecutive Trading Days, the Closing Sale Price for each Trading Day prior to the "ex" date for such other event shall be adjusted by multiplying such Closing Sale Price by the same fraction by which the Conversion Rate is so required to be adjusted as a result of such other event;

(ii) the "ex" date for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Rate pursuant to Section 12.4(a), (b), (c), (d), (e) or (f) occurs on or after the "ex" date for the issuance or distribution requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the "ex" date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Conversion Rate is so required to be adjusted as a result of such other event; and

(iii) the "ex" date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (i) or (ii) of this proviso, the Closing Sale Price for each Trading Day on or after such "ex" date shall be adjusted by adding thereto the amount of any cash and the Fair Market Value of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one

share of Common Stock as of the close of business on the day before such "ex" date.

For purposes of any computation under Section 12.4(c) and 12.4(e), the Current Market Price of the Common Stock on any date shall be deemed to be the average of the daily Closing Sale Prices per share of Common Stock for the 10 consecutive Trading Days immediately prior to the Record Date for the distribution requiring such computation.

Notwithstanding the foregoing, whenever successive adjustments to the Conversion Rate are called for pursuant to this Section 12.4, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 12.4 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

(2) [intentionally omitted]

(3) "Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(h) The Company may make such increases in the Conversion Rate, in addition to those required by Sections 12.4(a), (b), (c), (d), (e) or (f), as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

To the extent permitted by applicable law, the Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least 20 Business Days and the increase is irrevocable during the period and the Board of Directors determines in good faith that such increase would be in the best interests of the Company, which determination shall be conclusive and set forth in a Board Resolution. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall mail to the Trustee and each Holder at the address of such Holder as it appears in the Register a notice of the increase at least 15 days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(i) No adjustment in the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Rate; provided that any adjustments that by reason of this Section 12.4(i) are not required to be made shall be carried forward and taken into consideration when calculating any subsequent adjustments, and the Company shall make such carry forward adjustments, regardless of whether the aggregate adjustment is less than 1%, (a) annually on the anniversary of the date of this Indenture and otherwise (b)(1) five Business Days prior to the Maturity of the Securities (whether at Stated Maturity or otherwise) or (2) prior to the Redemption Date, Fundamental Change Repurchase Date or Repurchase Date, unless such adjustments have already been made. All calculations under this Article 12 shall be made by the Company and shall be made to the nearest cent or to the nearest one hundredth of a share, as the case may be. No adjustment need be made for a change in the par value or no par value of the Common Stock.

(j) In any case in which this Section 12.4 provides that an adjustment shall become effective immediately after a Record Date for an event, the Company may defer until the occurrence of such event (i) issuing to the Holder of any Security converted after such Record Date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment and (ii) paying to such Holder any amount in cash in lieu of any fraction pursuant to Section 12.3.

(k) For purposes of this Section 12.4, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(l) If the distribution date for the rights provided in the Company's rights agreement, if any, occurs prior to the date a Security is converted, and the Holder of the Security who converts such Security after the distribution date is not entitled to receive the rights that would otherwise be attached (but for the date of conversion) to the shares of Common Stock received upon such conversion, then an adjustment shall be

made to the Conversion Rate pursuant to clause 12.4(c) as if the rights were being distributed to the common stockholders of the Company immediately prior to such conversion. If such an adjustment is made and the rights are later redeemed, invalidated or terminated, then a corresponding reversing adjustment shall be made to the Conversion Rate, on an equitable basis, to take account of such event.

(m) If the Conversion Rate of the Securities is adjusted pursuant to this Indenture, to the extent such adjustment results in a constructive distribution to beneficial owners of Securities under Section 305 of the Code of the Internal Revenue Code of 1986, as amended, which distribution gives rise to a U.S. withholding tax liability, the Company may, to the extent required by law, recoup or set-off such liability against any payments (whether in cash or Common Stock) made with respect to the Securities (or any payment with respect to Common Stock received upon conversion thereof) to such beneficial owners.

(n) No adjustment to the Conversion Rate shall be made pursuant to this Section 12.04 if the Holders of the Securities may participate in the transaction that would otherwise give rise to an adjustment pursuant to this Section 12.04. In addition, in cases where the amount of cash or the Fair Market Value of assets, debt securities or certain rights, warrants or options to purchase the Company's securities, applicable to one share of Common Stock, distributed to stockholders:

(1) equals or exceeds the average Closing Sale Price over the ten consecutive Trading Day period ending on the Record Date for such distribution, or

(2) such Closing Sale Price exceeds the Fair Market Value of such assets, debt securities or rights, warrants or options so distributed by less than $1.00,

rather than being entitled to an adjustment in the Conversion Rate pursuant to the terms of this Indenture, the Holder will be entitled to receive upon conversion, in addition to the cash and shares of Common Stock, if any, the kind of assets, debt securities or rights, warrants or options comprising the distribution that such Holder would have received if such Holder had, subject to Section 12.11, converted such Securities solely into Common Stock based on the applicable Conversion Rate immediately prior to the Record Date for determining the stockholders entitled to receive the distribution.

SECTION 12.5 NOTICE OF ADJUSTMENTS OF CONVERSION RATE.

Whenever the Conversion Rate is adjusted as herein provided (other than in the case of an adjustment pursuant to the second paragraph of Section 12.4(h) for which the notice required by such paragraph has been provided), the Company shall promptly file with the Trustee and any Conversion Agent other than the Trustee an Officers' Certificate setting forth the adjusted Conversion Rate and showing in reasonable detail the facts upon which such adjustment is based. Unless and until the Trustee and any Conversion Agent other than the Trustee receive an Officers' Certificate setting forth an adjustment to the Conversion Rate, the Trustee and such Conversion Agent may assume without inquiry that the Conversion Rate has not and is not required to be adjusted and that the last Conversion Rate of which the Trustee and such Conversion Agent have knowledge remains in effect. Promptly after delivery of such Officers' Certificate, the Company shall prepare a notice stating that the Conversion Rate has been adjusted and setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective, and shall mail such notice to each Holder at the address of such Holder as it appears in the Register within 20 days of the effective date of such adjustment. The Company shall also issue a press release and publish this information on its website. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate or the information and calculations contained therein, except to exhibit the same to any Holder of Securities desiring inspection thereof at its office during normal business hours.

SECTION 12.6 NOTICE PRIOR TO CERTAIN ACTIONS.

In case at any time after the date hereof:

(1) the Company shall declare a dividend (or any other distribution) on its Common Stock payable otherwise than in cash out of its capital surplus or its consolidated retained earnings;

(2) the Company shall authorize the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class (or of securities convertible into shares of capital stock of any class) or of any other rights;

(3) there shall occur any reclassification of the Common Stock of the Company (other than a subdivision or combination of its outstanding Common Stock, a change in par value, a change from par value to no par value or a change from no par value to par value), or any merger, consolidation, statutory share exchange or combination to which the Company is a party and for which approval of any shareholders of the Company is required, or the sale, transfer or conveyance of all or substantially all of the assets of the Company; or

(4) there shall occur the voluntary or involuntary dissolution, liquidation or winding up of the Company;

the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of securities pursuant to Section 9.2, and shall cause to be provided to the Trustee and all Holders in accordance with Section 15.2, at least 20 days prior to the applicable record or effective date hereinafter specified, a notice stating:

(A) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights or warrants are to be determined; or

(B) the date on which such reclassification, merger, consolidation, statutory share exchange, combination, sale, transfer, conveyance, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, merger, consolidation, statutory share exchange, sale, transfer, dissolution, liquidation or winding up.

Neither the failure to give such notice nor any defect therein shall affect the legality or validity of the proceedings or actions described in clauses (1) through (4) of this Section 12.6.

SECTION 12.7 COMPANY TO RESERVE COMMON STOCK.

The Company shall at all times use its best efforts to reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of Securities, the full number of shares of fully paid and nonassessable Common Stock then issuable upon the conversion of all Outstanding Securities.

SECTION 12.8 TAXES ON CONVERSIONS.

Except as provided in the next sentence, the Company will pay any and all taxes (other than taxes on income) and duties that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of Securities pursuant hereto. A Holder delivering a Security for conversion shall be liable for and will be required to pay any tax or duty which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that of the Holder of the Security or Securities to be converted, and no such issue or delivery shall be made unless the Person requesting such issue has paid to the Company the amount of any such tax or duty, or has established to the satisfaction of the Company that such tax or duty has been paid.

SECTION 12.9 COVENANT AS TO COMMON STOCK.

The Company covenants that all shares of Common Stock which may be issued upon conversion of Securities will upon issuance be fully paid and nonassessable and that the Company will pay all taxes, Liens and charges with respect to the issuance thereof, except (1) as provided in Section 12.8 or (2) with respect to any Liens or charges created by or imposed upon such Common Stock by the Holder of the Security or Securities to be converted.

SECTION 12.10 CANCELLATION OF CONVERTED SECURITIES.

All Securities delivered for conversion shall be delivered to the Trustee to be canceled by or at the direction of the Trustee, which shall

dispose of the same as provided in Section 2.15.

SECTION 12.11 SETTLEMENT UPON CONVERSION.

(a) Upon conversion, the settlement amount will be computed as follows: (1) if the Company elects to satisfy the entire Conversion Obligation in cash, it will deliver to the Holder for each $1,000 principal amount of the Securities converted cash in an amount equal to the Conversion Value; or

(2) if the Company elects to satisfy the Conversion Obligation in a combination of cash and Common Stock, it will deliver to the Holder for each $1,000 principal amount of the Securities converted: (i) cash in an amount equal to (i) the fixed dollar amount per $1,000 principal amount of the Securities of the Conversion Obligation to be satisfied in cash specified in the notice regarding the Company's chosen method of settlement or, if lower, the Conversion Value, or (ii) the percentage of the Conversion Obligation to be satisfied in cash specified in the notice regarding the Company's chosen method of settlement multiplied by the Conversion Value, as the case may be (the "cash amount"); provided that in either case the cash amount shall in no event be less than the lesser of (a) the principal amount of the Securities converted and (b) the Conversion Value; and (ii) a number of shares for each of the 20 Trading Days in the Conversion Period equal to 1/20th of (i) the Conversion Rate then in effect minus (ii) the quotient of the cash amount divided by the Closing Sale Price of the Common Stock for that day (plus cash in lieu of fractional shares, if applicable).

(b) The Company will inform the Holders through the Trustee if it elects a cash amount that is more than $1,000 per $1,000 principal amount of the Securities:

(1) if the Company has called the Securities for redemption, in its notice of redemption;

(2) if a Fundamental Change has occurred, in the related Company Notice;

(3) in respect of the Securities to be converted during the period beginning 25 Trading Days preceding the Maturity Date and ending one Trading Day preceding the Maturity Date, at least 26 Trading Days preceding the Maturity Date; and

(4) in all other cases, prior to the first day of the relevant Conversion Period;

provided that if the Company does not provide such notice in a timely manner as described above, the cash amount will be $1,000 (or the Conversion Value, if lower) and any Conversion Value in excess of $1,000 will be satisfied by delivery of shares of Common Stock.

Settlement in cash and/or shares of Common Stock will occur on the second Trading Day following the final Trading Day of the Conversion Period.

SECTION 12.12 EFFECT OF RECLASSIFICATION, CONSOLIDATION, MERGER OR SALE.

If any of the following events occur, namely:

(i) any reclassification or change of the outstanding shares of Common Stock (other than a change as a result of a subdivision or combination);

(ii) any merger, consolidation, statutory share exchange or combination of the Company with or into another Person as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash), or a combination thereof, with respect to or in exchange for such Common Stock; or

(iii) any sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other Person as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets

(including cash), or a combination thereof, with respect to or in

exchange for such Common Stock;

the Company or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of such supplemental indenture if such supplemental indenture is then required to so comply) providing that such Security shall, without the consent of any Holder, be convertible into (A) cash equal to the lesser of (a) the principal amount of the Security and (b) the Conversion Value, and (B) to the extent the Conversion Value exceeds the principal amount, the kind of shares of stock and other securities or property or assets (including cash), or combination thereof, which a Holder would have been entitled to receive upon such reclassification, change, merger, consolidation, statutory share exchange, combination, sale or conveyance had such Securities been converted, subject to Section 12.11, solely into Common Stock based upon the applicable Conversion Rate immediately prior to such reclassification, change, merger, consolidation, statutory share exchange, combination, sale or conveyance assuming such holder of Common Stock received proportionally the kind or amount of securities, cash or other property receivable upon such merger, consolidation, statutory share exchange, sale or conveyance by all holders of Common Stock in the aggregate, except in the limited case of a Public Acquirer Change of Control where the Company elects to have the Securities convertible into Public Acquirer Common Stock, in which case Section 12.16 shall apply, and except that the provisions set forth in Section 12.11 relating to the satisfaction of the conversion obligation in cash, Common Stock or a combination thereof shall continue to apply following any such election, with the Conversion Value calculated based on, and all references to Common Stock deemed to refer to the Public Acquirer Common Stock, the consideration received in such transaction. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 12 and shall provide that Sections 12.1, 12.11 and 12.15 shall continue to apply. If, in the case of any such reclassification, change, merger, consolidation, statutory share exchange, combination, sale or conveyance, the stock or other securities and assets receivable thereupon by a holder of shares of Common Stock includes shares of stock or other securities and assets of a Person other than the successor or purchasing Person, as the case may be, in such reclassification, change, merger, consolidation, statutory share exchange, combination, sale or conveyance, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of the Securities as the Board of Directors shall reasonably consider necessary by reason of the foregoing, including to the extent practicable the provisions providing for the Repurchase Rights set forth in Article 11.

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each Holder, at the address of such Holder as it appears on the Register or to be announced in a press release, in each case, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

The above provisions of this Section 12.12 shall similarly apply to successive reclassifications, mergers, consolidations, statutory share exchanges, combinations, sales and conveyances.

If this Section 12.12 applies to any event or occurrence, Section 12.4 shall not apply. If the Company makes the election described in Section 12.16, this Section 12.12 shall not apply.

SECTION 12.13 COMPANY DETERMINATION FINAL.

Any determination that the Company of the Board of Directors must make pursuant to this Article 12 shall be conclusive if made in good faith and in accordance with the provisions of this Article 12, absent manifest error, and set forth in a Board Resolution.

SECTION 12.14 RESPONSIBILITY OF TRUSTEE FOR CONVERSION PROVISIONS.

The Trustee, subject to the provisions of Section 5.1, and any Conversion Agent shall not at any time be under any duty or responsibility to any Holder of Securities to determine whether any facts exist which may require any adjustment of the Conversion Rate or to determine the Conversion Rate, or with respect to the nature or intent of any such adjustments when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. Neither the Trustee, subject to the provisions of Section 5.1, nor any Conversion Agent shall be accountable with respect to the validity or value (of the kind or amount) of any Common Stock, or of any other securities or property, which may at any time be issued or delivered upon the conversion of any Security; and it or they do not make any

representation with respect thereto. Neither the Trustee, subject to the provisions of Section 5.1, nor any Conversion Agent shall be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver any shares of stock or share certificates or other securities or property upon the surrender of any Security for the purpose of conversion; and the Trustee, subject to the provisions of Section 5.1, and any Conversion Agent shall not be responsible or liable for any failure of the Company to comply with any of the covenants of the Company contained in this Article.

SECTION 12.15 ADJUSTMENT TO THE CONVERSION RATE UPON A NON-STOCK CHANGE OF CONTROL.

Subject to Section 12.16, if and only to the extent the Company receives a Holder's election to convert Securities at any time on or subsequent to the date on which a Non-Stock Change of Control becomes effective (the "Effective Date") but before 5:00 p.m., New York City time, on the Business Day immediately preceding the related Fundamental Change Repurchase Date, the Company shall increase the Conversion Rate by a number of additional shares of Common Stock as set forth below. The number of additional shares of Common Stock shall be determined by the Company by reference to the table below, based on the Effective Date and the price (the "Stock Price") paid per share for the Common Stock in the Non-Stock Change of Control. If holders of Common Stock receive only cash in the Non-Stock Change of Control, the Stock Price shall be the cash amount paid per share. Otherwise, the Stock Price shall be the average of the Closing Sale Prices of the Common Stock on the five Trading Days prior to but not including the Effective Date of such Non-Stock Change of Control.

The number of additional shares of Common Stock set forth in the table below shall be adjusted as of any date on which the Conversion Rate is adjusted in the same manner in which the Conversion Rate is adjusted pursuant to Section 12.4. The Stock Prices set forth in the table below shall be adjusted, as of any date on which the Conversion Rate is adjusted, to equal the Stock Price applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which shall be the Conversion Rate immediately prior to the adjustment and the denominator of which shall be the Conversion Rate as so adjusted.

The following table sets forth the number of additional shares of Common Stock initially issuable per $1,000 principal amount of Securities:

<TABLE>

	STOCK PRICE							
Effective Date	$78.10	$90.00	$102.31	$110.00	$130.00	$160.00	$200.00	$250.00
August 1, 2005	3.03	2.19	1.62	1.37	0.94	0.60	0.38	0.24
August 1, 2006	2.93	2.05	1.48	1.23	0.81	0.50	0.31	0.20
August 1, 2007	2.85	1.92	1.32	1.07	0.66	0.39	0.24	0.16
August 1, 2008	2.77	1.75	1.12	0.87	0.49	0.27	0.16	0.11
August 1, 2009	2.70	1.55	0.86	0.60	0.27	0.13	0.08	0.06
August 1, 2010	2.71	1.28	0.44	0.20	0.01	0.00	0.00	0.00
February 1, 2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

</TABLE>

If the Stock Price and Effective Date are not set forth on the table above and the Stock Price is:

(1) between two Stock Prices on the table or the Effective Date is between two days on the table, then the number of additional shares of Common Stock shall be determined by the Company by straight-line interpolation between the number of additional shares of Common Stock set forth for the higher and lower Stock Price and the two Effective Dates, as applicable, based on a 360-day year;

(2) in excess of $250.00 per share (subject to adjustment), then no additional shares of Common Stock shall be issued upon conversion; or

(3) less than $78.10 per share (subject to adjustment), then no additional shares of Common Stock shall be issued upon conversion.

Notwithstanding the foregoing, in no event will the Conversion Rate exceed 12.8040 per $1,000 principal amount of the Securities, subject to adjustments in the same manner as the number of additional shares of Common Stock as set forth in this Section 12.15.

The Company shall, to the extent it is aware of the Effective Date,

provide written notice to all holders and to the Trustee at least 20 calendar days prior to the anticipated Effective Date of a Non-Stock Change of Control. The Company must also provide written notice to all holders and to the Trustee upon the effectiveness of such Non-Stock Change of Control.

SECTION 12.16 CONVERSION AFTER A PUBLIC ACQUIRER CHANGE OF CONTROL.

(a) Notwithstanding Section 12.15, in the event of a Public Acquirer Change of Control, the Company may, in lieu of issuing the additional Common Stock pursuant to Section 12.15, elect to adjust its Conversion Obligation and the Conversion Rate such that from and after the Effective Date of such Public Acquirer Change of Control, Holders of the Securities shall be entitled to convert their Securities, in accordance with Section 12.2 hereof, into cash and, to the extent the Conversion Value exceeds the principal amount of the Securities converted, shares of Public Acquirer Common Stock and the Conversion Rate in effect immediately before the Public Acquirer Change of Control shall be adjusted by multiplying it by a fraction:

(i) the numerator of which shall be (A) in the case of a share exchange, consolidation, merger or binding share exchange, pursuant to which the Common Stock is converted into cash, securities or other property, the average value of all cash and any other consideration (as determined by the Board of Directors) paid or payable per share of Common Stock or (B) in the case of any other Public Acquirer Change of Control, the

average of the Closing Sale Prices of the Common Stock for the five consecutive Trading Days prior to but excluding the Effective Date of such Public Acquirer Change of Control; and

(ii) the denominator of which shall be the average of the Closing Sale Prices of the Public Acquirer Common Stock for the five consecutive Trading Days commencing on the Trading Day next succeeding the Effective Date of such Public Acquirer Change of Control.

(b) The Company shall notify holders of its election by providing notice as set forth in Section 12.6.

(c) If the Company elects to make the adjustment to the Conversion Rate and the related Conversion Obligations as described in Section 12.16(a) in the event of a Public Acquirer Change of Control, holders of Securities will not be entitled to receive any additional shares pursuant to Section 12.15.

ARTICLE 13

SUBORDINATION OF GUARANTEES

SECTION 13.1 AGREEMENT TO SUBORDINATE.

The Company and each Guarantor agree, and each Holder by accepting a Security agrees, that the Guarantees of the Indebtedness evidenced by the Securities is subordinated in right of payment, to the extent and in the manner provided in this Article 13, to the Guarantor's prior payment in full in cash of their obligations in respect of Guarantor Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Guarantor Senior Debt.

SECTION 13.2 LIQUIDATION; DISSOLUTION; BANKRUPTCY.

Upon any distribution to creditors of a Guarantor in a liquidation or dissolution of a Guarantor or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to a Guarantor or its property, an assignment for the benefit of creditors or any marshalling of a Guarantor's assets and liabilities, the holders of Guarantor Senior Debt of such Guarantors shall be entitled to receive, from the Guarantors, payment in full in cash of all Obligations due in respect of such Guarantor Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Guarantor Senior Debt, whether or not an allowable claim in any such proceeding) before the Holders of Securities will be entitled to receive any payment, from such Guarantor, with respect to the Securities, and until all Obligations of such Guarantor with respect to its Guarantor Senior Debt are paid by the Guarantor in full in cash, any distribution to which the Holders of Securities would be entitled shall be made to the holders of the Guarantor's Guarantor Senior Debt (except, in each case, that Holders of Securities may receive Permitted Junior Securities and payments made from the trust described under Article 3).

SECTION 13.3 DEFAULT ON DESIGNATED SENIOR DEBT.

The Guarantors may not make any payment or distribution to the Trustee or any Holder in respect of Obligations with respect to the Securities (except payments in Permitted Junior Securities) and may not acquire from the Trustee or any Holder any Securities for cash or property (other than

Permitted Junior Securities and payments and other distributions made from any trust created pursuant to Article 3 hereof) until all principal and other Obligations of the Guarantors with respect to the Guarantor Senior Debt have been paid in full if:

(i) a default in the payment of any principal of or interest on their Designated Senior Debt occurs and is continuing; or

(ii) a default, other than a payment default, on Designated Senior Debt occurs and is continuing that then permits holders of the Designated Senior Debt as to which such default relates to accelerate its maturity (or that would permit such holders to accelerate with the giving of notice or the passage of time or both) and the Trustee receives a notice of the default (a "Payment Blockage Notice") from the Company or a Representative or the holders of any Designated Senior Debt with respect to such Designated Senior Debt. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until (a) at least 360 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice and (b) all scheduled payments of principal and interest (including Contingent Interest and Additional Interest, if any) on the Securities that have come due have been paid in full in cash.

No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless such default shall have been waived or cured for a period of not less than 90 days.

The Guarantors may and shall resume payments on and distributions in respect of the Securities and may acquire them upon the earlier of:

(1) the date upon which the default is cured or waived, or

(2) in the case of a default referred to in Section 13.3(ii) hereof, 179 days after Payment Blockage Notice is received if the maturity of such Designated Senior Debt has not been accelerated,

if this Article otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

SECTION 13.4 ACCELERATION OF SECURITIES.

If payment of the Securities is accelerated because of an Event of Default, the Company shall promptly notify holders of Guarantor Senior Debt of the acceleration.

SECTION 13.5 WHEN DISTRIBUTION MUST BE PAID OVER.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Securities from a Guarantor at a time when the Trustee or such Holder, as applicable, has actual knowledge that such payment is prohibited by this Article 13 hereof, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the holders of Guarantor Senior Debt as their interests may appear or their Representative under the indenture or other agreement (if any) pursuant to which Guarantor Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Guarantor Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Guarantor Senior Debt.

With respect to the holders of Guarantor Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 13, and no implied covenants or obligations with respect to the holders of Guarantor Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Guarantor Senior Debt, and shall not be

liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Guarantor Senior Debt shall be entitled by virtue of this Article 13, except if such payment is made as a result of the willful misconduct or negligence of the Trustee.

SECTION 13.6 NOTICE BY COMPANY.

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Securities to violate this Article 13, but failure to give such notice shall not affect the subordination of the Guarantees to the Guarantor Senior Debt of the Guarantors as provided in this Article 13.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Guarantor Senior Debt of a Guarantor (or a trustee or Agent on behalf of such holder) to establish that such notice has been given by a holder of Guarantor Senior Debt (or a trustee or Agent on behalf of any such holder). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as holder of Guarantor Senior Debt of a Guarantor to participate in any payment or distribution pursuant to this Article 13, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Guarantor Senior Debt held by such Person, the extent to which such Person is entitled to participate in such evidence is not furnish, the Trustee may defer any payment which it may be required to make for the benefit of such Person pursuant to the terms of this Indenture pending judicial determination as to the rights of such Person to receive such payment.

SECTION 13.7 SUBROGATION.

After all Guarantor Senior Debt of the Guarantors is paid in full in cash and until the Securities are paid in full, Holders of Securities shall be subrogated (equally and ratably with all other Indebtedness pari passu with the Guarantees) to the rights of holders of Guarantor Senior Debt of the Guarantors to receive distributions applicable to Guarantor Senior Debt of the Guarantors to the extent that distributions otherwise payable by the Guarantors to the Holders of Securities have been applied to the payment of Guarantor Senior Debt of the Guarantors. A distribution made under this Article 13 by the Guarantors to holders of Guarantor Senior Debt that otherwise would have been made to Holders of Securities is not, as between the Guarantors and Holders, a payment by the Guarantors on the Securities.

SECTION 13.8 RELATIVE RIGHTS.

This Article 13 defines the relative rights of Holders of Securities and holders of Guarantor Senior Debt of the Guarantors. Nothing in this Indenture shall:

(1) impair, as between the Guarantors and Holders of Securities, the obligation of the Guarantors, which is absolute and unconditional, to pay principal of and interest on the Securities in accordance with their terms;

(2) affect the relative rights of Holders of Securities and creditors of the Guarantors other than their rights in relation to holders of Guarantor Senior Debt of the Guarantors; or

(3) prevent the Trustee or any Holder of Securities from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Guarantor Senior Debt of the Guarantors to receive distributions and payments from the Guarantors otherwise payable to Holders of Securities.

If the Guarantors fail because of this Article 13 to pay principal of or interest on a Security on the due date, the failure is still a Default or Event of Default.

SECTION 13.9 SUBORDINATION MAY NOT BE IMPAIRED BY COMPANY.

No right of any holder of Guarantor Senior Debt of the Guarantors to enforce the subordination of the Guarantee of Indebtedness evidenced by the Securities shall be impaired by any act or failure to act by the Guarantors or any Holder or by the failure of the Guarantors or any Holder to comply with this Indenture.

SECTION 13.10 DISTRIBUTION OR NOTICE TO REPRESENTATIVE.

Whenever a distribution is to be made or a notice given by the Guarantors to holders of Guarantor Senior Debt of the Guarantors, the distribution may be made and the notice given to their representative.

Upon any payment or distribution of assets of the Guarantors referred to in this Article 13, the Trustee and the Holders of Securities shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or Agent or other Person making any distribution to the Trustee or to the Holders of Securities for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Guarantor Senior Debt of the Guarantors and other Indebtedness of the Guarantors, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 13.

SECTION 13.11 RIGHTS OF TRUSTEE AND PAYING AGENT.

Notwithstanding the provisions of this Article 13 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Guarantees, unless the Trustee shall have received at its Corporate Trust Office at least three Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Guarantees to violate this Article 13. Only the Company or a Representative may give the notice. Nothing in this Article 13 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 5.8 hereof.

The Trustee in its individual or any other capacity may hold Guarantor Senior Debt of the Guarantors with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. Nothing in this Article 13 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 5.8.

SECTION 13.12 AUTHORIZATION TO EFFECT SUBORDINATION.

Each Holder of Securities, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 13, and appoints the Trustee to act as such Holder's attorney-in-

fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 4.9 hereof at least 30 days before the expiration of the time to file such claim, the credit agents are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Securities.

ARTICLE 14

SUBSIDIARY GUARANTEES

SECTION 14.1 AGREEMENT TO GUARANTEE.

The Guarantors hereby agree as follows:

(1) The Guarantors, jointly and severally with all other Guarantors, if any, unconditionally guarantee, on an unsecured senior subordinated basis as set forth in Article 13, to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, regardless of the validity and enforceability of the Indenture, the Securities or the Obligations of the Company under the Indenture or the Securities, that:

(a) the principal of and interest (including Contingent Interest and Additional Interest, if any) on the Securities will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest (including Contingent Interest and Additional Interest, if any) on the Securities, to the extent lawful, and all other Obligations of the Company to the Holders or the Trustee thereunder or under the Indenture will be promptly paid in full, all in accordance with the terms thereof; and

(b) in case of any extension of time for payment or renewal of any Securities or any of such other Obligations, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or

otherwise.

(2) Notwithstanding the foregoing, in the event that this Guarantee would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of the Guarantors under this Indenture shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

SECTION 14.2 EXECUTION AND DELIVERY OF GUARANTEES.

(1) To evidence their Guarantees set forth in this Indenture, the Guarantors hereby agree that a notation of such Guarantee shall be endorsed by an Officer of the Guarantors on each Security authenticated and delivered by the Trustee on or after the date hereof. The form of such notation is included in the Form of Security attached as Exhibit A to this Indenture.

(2) Notwithstanding the foregoing, the Guarantors hereby agree that their Guarantee set forth herein shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation of such Guarantee.

(3) If an Officer whose signature is on this Indenture or a Security no longer holds that office at the time the Trustee authenticates the Security on which a Guarantee is endorsed, the Guarantee shall be valid nevertheless.

(4) The delivery of any Security by the Trustee, after the authentication thereof under the Indenture, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantors.

(5) The Guarantors hereby agree that their obligations hereunder shall, to the extent permitted by applicable law, be unconditional, regardless of the validity, regularity or enforceability of the Securities or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions of the Securities or the Indenture, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(6) The Guarantors hereby, to the extent permitted by applicable law, waive diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that their Guarantee made pursuant to this Indenture will not be discharged except by complete performance of the obligations contained in the Securities and the Indenture.

(7) If any Holder or the Trustee is required by any court or otherwise to return to the Company or the Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, the Guarantee made pursuant to this Indenture, to the extent theretofore discharged, shall be reinstated in full force and effect.

(8) The Guarantors agree that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. The Guarantors further agree that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand:

(a) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 4 of this Indenture for the purposes of the Guarantee made pursuant to this Indenture, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby;

(b) in the event of any declaration of acceleration of such Obligations as provided in Article 4 of this Indenture, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of the Guarantee made pursuant to this Indenture; and

(c) the Guarantors shall have the right to seek contribution from any other non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders or the Trustee under the Guarantee made pursuant to this Indenture.

SECTION 14.3 GUARANTORS MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(1) Except as set forth in Articles 6 and 9 of this Indenture, nothing contained in this Indenture or in the Securities shall prevent (a) any consolidation or merger of any of the Guarantors with or into the Company or any other Guarantor, (b) any transfer, sale or conveyance of the property of any of the Guarantors as an entirety or substantially as an entirety, to the Company or any other Guarantor or (c) any merger of a Guarantor with or into with an Affiliate of that Guarantor that has no significant assets or liabilities and was incorporated solely for the purpose of reincorporating such Guarantor in another State

of the United States so long as the amount of Indebtedness of the Company and the domestic non-Guarantor subsidiaries is not increased thereby.

(2) Except as set forth in Article 9 of this Indenture, nothing contained in this Indenture or in the Securities shall prevent any consolidation or merger of any of the Guarantors with or into any Person organized under the laws of the United States of America, any state thereof, the District of Columbia or any territory thereof other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guarantor), or successive consolidations or mergers in which a Guarantor or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety, to any Person organized under the laws of the United States of America, any state thereof, the District of Columbia or any territory thereof other than the Company or any other Guarantor (in each case, whether or not affiliated with the Guarantors) authorized to acquire and operate the same; provided, however, that the Guarantors hereby covenant and agree that (i) subject to the Indenture, upon any such consolidation, merger, sale or conveyance, the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Guarantors, shall be expressly assumed (in the event that any of the Guarantors are not the surviving corporation in the merger), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by any Person formed by such consolidation, or into which the Guarantors shall have been merged, or by any Person which shall have acquired such property, (ii) immediately after giving effect to such consolidation, merger, sale or conveyance no Default or Event of Default exists; and (iii) such transaction will only be permitted under this Indenture if it would be permitted under the terms of all of the indentures governing the Outstanding Senior Subordinated Notes as the same are in effect on the date hereof (whether or not those indentures are subsequently amended, waived, modified or terminated or expire and whether or not any of these notes continue to be outstanding).

(3) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Guarantee made pursuant to this Indenture and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantors, such successor Person shall succeed to and be substituted for the Guarantors with the same effect as if it had been named herein as one of the Guarantors. Such successor Person thereupon may cause to be signed any or all of the Guarantees to be endorsed upon the Securities issuable under this Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

SECTION 14.4 RELEASES.

(1) Concurrently with any sale of assets (including, if applicable, all of the Capital Stock of the Guarantors), all Liens, if any, in favor of the Trustee in the assets sold thereby shall be released. If the assets sold in such sale or other disposition (including by way of merger or consolidation) include all or substantially all of the assets of a Guarantor or all of the Capital Stock of a Guarantor, then such Guarantor (in the event of a sale or other disposition of all of the Capital Stock of any such Guarantor) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of any of the Guarantors) shall be released from and relieved of its obligations under this Indenture and its Guarantee made pursuant hereto. Upon delivery by the Company to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Company or the Guarantors, as the case may be, in accordance with the provisions of this Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of the

Guarantors from their obligations under this Indenture and their Guarantee made pursuant hereto. If the Guarantors are not released from their obligations under their Guarantees, they shall remain liable for the full amount of principal of and interest (including Contingent Interest and Additional Interest, if any) on the Securities and for the other obligations of the Guarantors under this Indenture.

(2) Upon the designation of any of the Guarantors as an Excluded Subsidiary in accordance with the terms of this Indenture and the indentures governing the Outstanding Senior Subordinated Notes as the same are in effect on the date hereof (whether or not those indentures are subsequently amended, waived, modified or terminated or expire and whether or not any of those notes continue to be outstanding), such Guarantor shall be released and relieved of all of its obligations under this Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such designation of such Guarantor as an Excluded Subsidiary was made by the Company in accordance with the provisions of this Indenture and the indentures governing the Outstanding Senior Subordinated Notes as the same are in effect on the date hereof (whether or not those indentures are subsequently amended, waived, modified or terminated or expire and whether or not any of those notes continue to be outstanding), the Trustee shall execute any documents reasonably required in order to evidence the release of such Guarantor from its obligations under its Guarantee. Any of the Guarantors not released from their obligations under the Guarantee shall remain liable for the full amount of principal of and interest on the Securities and for the other obligations of any of the Guarantors under this Indenture as provided in this Article 14.

(3) Upon any Guarantor being released from its guarantees of, and all pledges and security interests granted in connection with, Indebtedness of the Company or any of its Subsidiaries (other than a Foreign Subsidiary), such Guarantor shall be released and relieved of all of its obligations under this Indenture.

SECTION 14.5 NO RECOURSE AGAINST OTHERS.

No past, present or future director, officer, employee, incorporator, stockholder or Agent of the Guarantors, as such, shall have any liability for any obligations of the Company or any Guarantor under the Securities, any Guarantees, this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

SECTION 14.6 ANTI-LAYERING.

No Guarantor shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Guarantor Senior Debt of a Guarantor and senior in any respect in right of payment to any of the Guarantees. No Indebtedness shall be deemed to be subordinated or junior in right of payment to any other Indebtedness solely by virtue of being unsecured.

SECTION 14.7 GUARANTEE BY L-3 COMMUNICATIONS.

Subject to Section 14.3, for so long as the Securities remain outstanding, L-3 Communications shall be bound by its Guarantee under this Article 14.

SECTION 14.8 FUTURE SUBSIDIARY GUARANTEES.

If the Company or any of its Subsidiaries shall acquire or create another Subsidiary after the date of this Indenture (other than a Foreign Subsidiary or an Excluded Subsidiary) and such Subsidiary guarantees any Indebtedness of the Company or any of its Subsidiaries (other than a Foreign Subsidiary or an Excluded Subsidiary) then such Subsidiary shall become a Guarantor and execute a Supplemental Indenture in form and substance satisfactory to the Trustee, and deliver an Opinion of Counsel to the Trustee as to the validity of such Guarantee.

ARTICLE 15

OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 15.1 TRUST INDENTURE ACT CONTROLS.

This Indenture is subject to the provisions of the TIA which are required to be part of this Indenture, and shall, to the extent applicable, be governed by such provisions.

SECTION 15.2 NOTICES.

Any notice or communication to the Company or the Trustee is duly given if in writing and delivered in person or mailed by first-class mail to the address set forth below:

(a) If to the Company or any Guarantor:

L-3 Communications Corporation
600 Third Avenue, 34th Floor
New York, New York 10016
Attn: Vice President-Finance (Fax: 212-805-5440)

with a copy to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attn: Vincent Pagano Jr., Esq. (Fax: 212-455-2502)

(b) if to the Trustee:

The Bank of New York
101 Barclay Street, Floor 8 West
New York, New York 10286
Attn: Corporate Trust Administration (Fax: 212-815-5704)

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to a Holder shall be mailed by first-class mail to his address shown on the Register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in such notice or communication shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or sent in the manner provided above within the time prescribed, it is duly given as of the date it is mailed, whether or not the addressee receives it, except that notice to the Trustee shall only be effective upon receipt thereof by the Trustee.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee at the same time.

SECTION 15.3 COMMUNICATION BY HOLDERS WITH OTHER HOLDERS.

Holders may communicate pursuant to Section 312(b) of the TIA with other Holders with respect to their rights under the Securities or this Indenture. The Company, the Trustee, the Registrar and anyone else shall have the protection of Section 312(c) of the TIA.

SECTION 15.4 ACTS OF HOLDERS OF SECURITIES.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Securities may be embodied in and evidenced by:

(1) one or more instruments of substantially similar tenor signed by such Holders in person or by Agent or proxy duly appointed in writing;

(2) the record of Holders of Securities voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders of Securities duly called and held in accordance with the provisions of Article 8; or

(3) a combination of such instruments and any such record.

Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and record (and the action embodied therein and

evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Securities signing such instrument or instruments and so voting at such meeting. Proof of execution of any such instrument or of a writing appointing any such Agent or proxy, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 5.1) conclusive in favor of the Trustee and the Company if made in the manner provided in this Section. The record of any meeting of Holders of Securities shall be proved in the manner provided in Section 8.6.

(b) The fact and date of the execution by any Person of any such instrument or writing may be provided in any manner which the Trustee reasonably deems sufficient.

(c) The principal amount and serial numbers of Securities held by any Person, and the date of such Person holding the same, shall be proved by the Register.

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of the Holders of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 15.5 CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

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

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the Opinion of Counsel with respect to the matters upon which such certificate or opinion is based is erroneous. Any such Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

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

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Trustee shall be entitled to receive upon request an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such Counsel all such conditions precedent, if any, have been complied with.

SECTION 15.6 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion on behalf of the Company has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such

individual, such condition or covenant has been complied with.

SECTION 15.7 EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 15.8 SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 15.9 SEPARABILITY CLAUSE.

In case any provision in this Indenture or the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 15.10 BENEFITS OF INDENTURE.

Nothing contained in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the holders of Guarantor Senior Debt and the Holders of Securities, any benefit or legal or equitable right, remedy or claim under this Indenture.

SECTION 15.11 SECTION GOVERNING LAW.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 15.12 COUNTERPARTS.

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

SECTION 15.13 LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date, Fundamental Change Repurchase Date or Stated Maturity of any Security or the last day on which a Holder of a Security has a right to convert such Security shall not be a Business Day at any Place of Payment or Place of Conversion, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest (including Contingent Interest and Additional Interest, if any) or principal or conversion of the Securities, need not be made at such Place of Payment or Place of Conversion on such day, but may be made on the next succeeding Business Day at such Place of Payment or Place of Conversion with the same force and effect as if made on the Interest Payment Date, Redemption Date, Fundamental Change Repurchase Date or at the Stated Maturity or on such last day for conversion; provided, however, that in the case that payment is made on such succeeding Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date, Fundamental Change Repurchase Date or Stated Maturity, as the case may be.

SECTION 15.14 RECOURSE AGAINST OTHERS.

No recourse for the payment of the principal of or interest (including Contingent Interest and Additional Interest, if any) on any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance thereof and as part of the consideration for the issue thereof, expressly waived and released.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

The Bank of New York,
as trustee and not in its individual capacity

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

L-3 COMMUNICATIONS HOLDINGS, INC.,
as the Company

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President, Secretary
and General Counsel

GUARANTORS:

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRARED VISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.

L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.

WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.,
as Guarantors

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

Indenture

Exhibit A

L-3 Communications Holdings, Inc.

3.00% Convertible Contingent Debt Securities (CODES) due 2035

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREIN. THIS GLOBAL SECURITY MAY NOT BE EXCHANGED OR TRANSFERRED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DEPOSITORY TRUST COMPANY ("DTC") OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THE INDENTURE. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE INDENTURE.

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT;

(2) AGREES THAT IT WILL NOT PRIOR TO THE DATE TWO YEARS AFTER THE DATE OF ORIGINAL ISSUANCE OF THE DEBT SECURITIES EVIDENCED HEREBY OF L-3 COMMUNICATIONS HOLDINGS, INC. (THE "COMPANY") RESELL OR OTHERWISE TRANSFER THE SECURITIES EVIDENCED HEREBY OR THE COMMON STOCK THAT MAY BE ISSUABLE UPON CONVERSION OF SUCH SECURITIES EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OF 1933, (C) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OF 1933 AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER, OR (D) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT OF 1933, INCLUDING UNDER RULE 144, IF AVAILABLE, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH TRANSFER, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO US AND THE TRUSTEE; AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITIES EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(C) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF SECURITIES PRIOR TO THE DATE TWO YEARS AFTER THE DATE OF ORIGINAL ISSUANCE OF THE SECURITIES (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(C) ABOVE), THE HOLDER MUST COMPLETE AND DELIVER THE TRANSFER CERTIFICATE CONTAINED IN THE INDENTURE TO THE TRUSTEE (OR ANY SUCCESSOR TRUSTEE, AS APPLICABLE). IF THE PROPOSED TRANSFER IS PURSUANT TO CLAUSE 2(D) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER,

FURNISH TO THE TRUSTEE (OR ANY SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933).

THE LEGEND SET FORTH ABOVE WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF SECURITIES PURSUANT TO CLAUSE 2(C) ABOVE OR THE EXPIRATION OF TWO YEARS FROM THE DATE OF ORIGINAL ISSUANCE OF THE SECURITIES. EACH STOCK CERTIFICATE REPRESENTING COMMON STOCK ISSUED UPON CONVERSION OF THE SECURITIES WILL BEAR A COMPARABLE LEGEND (UNLESS SUCH COMMON STOCK HAS BEEN TRANSFERRED PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OF 1933, IF AVAILABLE, OR PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OF 1933).

FOR PURPOSES OF SECTION 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE SECURITIES ARE BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. IN ADDITION, THE SECURITIES ARE SUBJECT TO REGULATIONS GOVERNING CONTINGENT PAYMENT DEBT INSTRUMENTS. UNDER SUCH REGULATIONS, THE COMPARABLE YIELD OF THE SECURITIES IS 6.33%.

THE ISSUER AGREES, AND BY PURCHASING A BENEFICIAL OWNERSHIP INTEREST IN THE Securities EACH HOLDER OF Securities WILL BE DEEMED TO HAVE AGREED, FOR UNITED STATES FEDERAL INCOME TAX PURPOSES (1) TO TREAT THE SECURITIES AS INDEBTEDNESS THAT IS SUBJECT TO TREAS. REG. SEC. 1.1275-4 (THE "CONTINGENT PAYMENT REGULATIONS") AND, FOR PURPOSES OF THE CONTINGENT PAYMENT REGULATIONS, TO TREAT THE FAIR MARKET VALUE OF ANY STOCK BENEFICIALLY RECEIVED BY A BENEFICIAL HOLDER UPON ANY CONVERSION OF THE SECURITIES AS A CONTINGENT PAYMENT AND (2) TO BE BOUND BY THE ISSUER'S DETERMINATION OF THE "COMPARABLE YIELD" AND "PROJECTED PAYMENT SCHEDULE," WITHIN THE MEANING OF THE CONTINGENT PAYMENT REGULATIONS, WITH RESPECT TO THE SECURITIES. THE ISSUER AGREES TO PROVIDE PROMPTLY TO HOLDER OF SECURITIES, UPON WRITTEN REQUEST, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE. ANY SUCH WRITTEN REQUEST SHOULD BE SENT TO THE ISSUER AT THE FOLLOWING ADDRESS: L-3 COMMUNICATIONS CORPORATION, 600 THIRD AVENUE, 34TH FLOOR, NEW YORK, NEW YORK 10016, ATTENTION: INVESTOR RELATIONS.

No. 2

CUSIP: 502424 AE 4

Initial principal balance of this Security: $100,000,000

L-3 Communications Holdings, Inc., a Delaware corporation (the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or its registered assigns, the principal sum listed on the Schedule of Increases or Decreases in Global Security attached hereto on August 1, 2035.

Interest Payment Dates: February 1 and August 1, commencing February 1, 2006.

Regular Record Dates: January 15 and July 15.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Security to be duly executed manually or by facsimile by its duly authorized officers.

Dated: July 29, 2005 L-3 COMMUNICATIONS HOLDINGS, INC.

By:

Name:
Title:

By:

Name:
Title:

Trustee's Certificate of Authentication

This is one of the Securities of the series designated therein referred to in the within-named Indenture.

Dated: July 29, 2005

THE BANK OF NEW YORK
as Trustee

By:

Authorized Signatory

[Back of Security]

L-3 COMMUNICATIONS HOLDINGS, INC.
3.00% Convertible Contingent Debt Securities (CODES) due 2035

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Principal and Interest.

L-3 Communications Holdings, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Security at the Interest Rate plus the applicable rate of Contingent Interest and Additional Interest, if any, from July 29, 2005 until repayment at Maturity, redemption or repurchase. The Company will pay interest on this Security, including Contingent Interest and Additional Interest, if any, semiannually in arrears on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing February 1, 2006. To the extent lawful, payments of principal or interest (including Contingent Interest and Additional Interest, if any) on the Securities that are not made when due will accrue interest at the annual rate of 1% above the then applicable Interest Rate from the required payment date.

Interest on the Securities (including Contingent Interest and Additional Interest, if any) shall be computed (i) for any full semiannual period for which a particular Interest Rate is applicable on the basis of a 360-day year of twelve 30-day months and (ii) for any period for which a particular Interest Rate is applicable shorter than a full semiannual period for which interest is calculated, on the basis of a 30-day month and, for such periods of less than a month, the actual number of days elapsed over a 30-day month.

The remaining terms and conditions relating to the payment of principal and interest (including Contingent Interest and Additional Interest, if any) are as set forth in the Indenture.

2. Method of Payment.

Except as otherwise provided for in the Indenture, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

The remaining terms and conditions relating to the method of payment of principal and interest (including Contingent Interest and Additional Interest, if any) are as set forth in the Indenture.

3. Paying Agent and Registrar.

Initially, The Bank of New York, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change the Paying Agent or Registrar without notice to any Holder.

4. Indenture; Guarantees.

The Company issued this Security under an Indenture, dated as of July 29, 2005 (the "Indenture"), among the Company, the Guarantors named therein and The Bank of New York, as trustee (the "Trustee"). The terms of the Security include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended ("TIA"). This Security is subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Security and the terms of the Indenture, the terms of the Indenture shall control.

The Obligations of the Company under the Indenture and the Securities have been jointly and severally guaranteed on a unsecured senior subordinated basis by certain of the Company's Subsidiaries, all as provided in the Indenture.

5. Optional Redemption.

The Securities may be redeemed in whole or in part, upon not less than 20 nor more than 60 days' notice, at any time on or after February 1, 2011, at the option of the Company, at a cash Redemption Price equal to 100% of the principal amount of the Securities being redeemed, plus any accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to, but excluding, the Redemption Date.

On and after the Redemption Date, interest ceases to accrue on Securities or portions of Securities called for redemption, unless the Company defaults in the payment of the Redemption Price.

Notice of redemption will be given by the Company to the Holders as provided in the Indenture.

6. Repurchase Right Upon Specified Dates or a Fundamental Change.

(a) Subject to the terms and conditions specified in the Indenture, on February 1, 2011, February 1, 2016, February 1, 2021, February 1, 2026 and February 1, 2031, a Holder has the right to require the Company to repurchase all or part of a such Holder's Securities for which such Holder has properly delivered and not withdrawn a written repurchase notice at a repurchase price equal to 100% of the principal amount of the Securities being redeemed, plus any accrued and unpaid interest (including Contingent Interest and Additional Interest, if any) to, but not including, the Repurchase Date.

(b) If a Fundamental Change occurs prior to Maturity, a Holder of Securities, at the Holder's option, shall have the right, in accordance with the provisions of the Indenture, to require the Company to repurchase Securities (or any portion of the principal amount hereof that is at least an integral multiple of $1,000, provided that the portion of the principal amount of this Security to be Outstanding after such repurchase is at least equal to $1,000) at the repurchase price in cash equal to 100% of the principal amount of Securities being repurchased, plus any interest (including Contingent Interest and Additional Interest, if any) accrued and unpaid to, but not including, the Fundamental Change Repurchase Date. To exercise a Repurchase Right, a Holder must deliver to the Trustee a written notice as provided in the Indenture.

(c) Subject to the terms of the Indenture, if and only to the extent a Holder elects to convert its Securities in connection with a Non-Stock Change of Control, such Holder may receive additional shares of Common Stock as specified in Section 12.15 of the Indenture.

7. Conversion Rights.

Subject to and in compliance with the provisions of the Indenture, upon the occurrence of events specified in the Indenture, a Holder of the Securities is entitled, at such Holder's option, to convert the Holder's Securities (or any portion of the principal amount hereof which is an integral multiple of $1,000) unless such Securities have been previously redeemed or repurchased by the Company, at the principal amount thereof or of such portion, into cash and, at the election of the Company, duly authorized, fully paid and nonassessable shares of Common Stock at an initial Conversion Rate of 9.7741 shares of Common Stock $1,000 principal amount of the Securities. Upon conversion of Securities, the Company will deliver an amount in cash equal to the lesser of (i) the principal amount of the Securities converted and (ii) the Conversion Value of the principal amount of the Securities converted. If the Conversion Value exceeds the principal amount of the Securities converted, the Company will also deliver, at its election, cash or Common Stock or a combination of cash and Common Stock in an amount equal to the excess of the Conversion Value over the principal amount of the Securities converted.

The Company will notify Holders of any event triggering the right to convert the Securities as specified above in accordance with the Indenture.

In the case of a Security (or a portion thereof) called for redemption, the conversion right in respect of the Security (or such portion thereof) so called, shall expire at the close of business on the Business Day preceding the Redemption Date, unless the Company defaults in making the payment due upon redemption. In the case of a Fundamental Change for which the Holder exercises its Repurchase Right with respect to a Security (or a portion thereof), the conversion right in respect of the Security (or portion thereof) shall expire at the close of business on the Business Day preceding the Fundamental Change Repurchase Date.

The Conversion Rate shall be adjusted under certain circumstances as provided in the Indenture. The remaining terms and conditions relating to

conversion of the Securities are as set forth in the Indenture.

8. Tax Treatment

The Company agrees, and by purchasing a beneficial ownership interest in the Securities each Holder of the Securities will be deemed to have agreed, for United States federal income tax purposes (1) to treat the Securities as indebtedness that is subject to Treas. Reg. Sec. 1.1275-4 (the "Contingent Payment Regulations") and, for purposes of the Contingent Payment Regulations, to treat the Fair Market Value of any stock beneficially received by a beneficial Holder upon any conversion of the Securities as a contingent payment and (2) to be bound by the Company's determination of the "comparable yield" and "projected payment schedule," within the meaning of the Contingent Payment Regulations, with respect to the Securities. The Company agrees to provide promptly to each Holder of the Securities, upon written request, the amount of original issue discount, issue date, yield to maturity, comparable yield and projected payment schedule. Any such written request should be sent to the

Company at the following address: L-3 Communications Corporation, 600 Third Avenue, 34th Floor, New York, New York 10016, Attention: Investor Relations.

9. Denominations; Transfer; Exchange.

The Securities are issuable in registered form, without coupons, in denominations of $1,000 and integral multiples of $1,000 in excess thereof. A Holder may register the transfer or exchange of Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture.

In the event of a redemption in part, the Company will not be required (a) to register the transfer of, or exchange, Securities for a period of 15 days immediately preceding the date notice is given identifying the serial numbers of the Securities called for such redemption, or (b) to register the transfer of, or exchange, any such Securities, or portion thereof, called for redemption.

In the event of redemption, conversion or repurchase of the Securities in part only, a new Security or Securities for the unredeemed, unconverted or unrepurchased portion thereof will be issued in the name of the Holder hereof.

11. Persons Deemed Owners.

The registered Holder of this Security shall be treated as its owner for all purposes.

12. Unclaimed Money.

The Trustee and the Paying Agent shall pay to the Company any money held by them for the payment of principal or interest that remains unclaimed for two years after the date upon which such payment shall have become due. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

13. Discharge Prior to Redemption or Maturity.

Subject to certain conditions contained in the Indenture, the Company may discharge its obligations under the Securities other than Conversion Obligations pursuant to Article 12 and the Indenture if (1) all of the Outstanding Securities shall become due and payable at their scheduled Maturity within one year and (2) the Company shall have deposited with the Trustee money and/or U.S. Government Obligations sufficient to pay the principal of and interest on all of the Outstanding Securities on the date of Maturity or redemption, as the case may be.

14. Amendment; Supplement; Waiver.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Securities (or such lesser amount as shall have acted at a meeting pursuant to the provisions of the Indenture). The Indenture also contains

provisions permitting the Holders of specified percentages in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of the Securities shall be conclusive and binding upon such Holder and upon all future Holders of such Securities and of any Securities issued upon registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon the Securities or such other Securities.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest (including Contingent Interest and Additional Interest, if any) on this Security at the times, places and rate, and in the coin or currency, herein prescribed or to convert this Security (or pay cash in lieu of conversion) as provided in the Indenture.

15. Defaults and Remedies.

If an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture except that the principal of all the Securities shall automatically be accelerated upon occurrence of certain events relating to bankruptcy and insolvency.

16. Authentication.

This Security shall not be valid until the Trustee (or authenticating agent) executes the certificate of authentication on the other side of this Security.

17. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

18. Additional Rights of Holders of Transfer Restricted Securities.

In addition to the rights provided to Holders under the Indenture, Holders of Transfer Restricted Securities shall have all the rights set forth in the Registration Rights Agreement.

19. CUSIP Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on this Security and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on this Security or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

20. Governing Law.

The Indenture and this Security shall be governed by, and construed in accordance with, the law of the State of New York.

21. Successor Corporation.

In the event a successor corporation assumes all the obligations of the Company under this Security, pursuant to the terms hereof and of the Indenture, the Company will be released from all such obligations.

22. Counterparts.

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

Exhibit B

FORM OF NOTATION ON CONVERTIBLE CONTINGENT DEBT SECURITY (the "Security")
RELATING TO SUBSIDIARY GUARANTEE

Pursuant to the Indenture each Guarantor (i) has jointly and severally unconditionally guaranteed (a) the due and punctual payment of the principal of and interest (including Contingent Interest and Additional Interest, if any) on the Security, whether at maturity or an interest payment date, by acceleration, call for redemption, repurchase or otherwise, (b) the due and punctual payment of interest on the overdue principal and interest (including Contingent Interest and Additional Interest, if any) on the Security, and (c) in case of any extension of time of payment or renewal of any Security or any of such other obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise and (ii) has agreed to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Guarantee. This Guarantee is subordinated to the Guarantor Senior Debt of each Guarantor to the extent set forth in Article 13 of the Indenture.

Notwithstanding the foregoing, in the event that the Guarantee of any Guarantor would constitute or result in a violation of any applicable fraudulent conveyance or similar law of any relevant jurisdiction, the liability of such Guarantor under its Guarantee shall be reduced to the maximum amount permissible under such fraudulent conveyance or similar law.

No past, present or future director, officer, employee, Agent, incorporator, stockholder or Agent of any Guarantor, as such, shall have any liability for any obligations of the Company or any Guarantor under the Security, any Guarantee, the Indenture, any supplemental indenture delivered pursuant to the Indenture by such Guarantor or any Guarantees, or for any claim based on, in respect of or by reason of such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability.

This Guarantee shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Security upon which this Guarantee is noted have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. Capitalized terms used herein have the meaning assigned to them in the Indenture.

L-3 COMMUNICATIONS CORPORATION

By:

Name:
Title:

HYGIENETICS ENVIRONMENTAL SERVICES, INC.

By:

Name:
Title:

L-3 COMMUNICATIONS ILEX SYSTEMS, INC.

By:

Name:
Title:

SOUTHERN CALIFORNIA MICROWAVE, INC.

By:

    Name:
    Title:

L-3 COMMUNICATIONS SPD TECHNOLOGIES, INC.

By:

    Name:
    Title:

L-3 COMMUNICATIONS ESSCO, INC.

By:

    Name:
    Title:

L-3 COMMUNICATIONS STORM CONTROL SYSTEMS, INC.

By:

    Name:
    Title:

L-3 COMMUNICATIONS DBS MICROWAVE, INC.

By:

    Name:
    Title:

SPD ELECTRICAL SYSTEMS, INC.

By:

    Name:
    Title:

SPD SWITCHGEAR, INC.

By:

    Name:
    Title:

PAC ORD, INC.

By:

    Name:
    Title:

HENSCHEL, INC.

By:

Name:
Title:

SPD HOLDINGS, INC.

By:

Name:
Title:

POWER PARAGON, INC.

By:

Name:
Title:

L-3 COMMUNICATIONS AYDIN CORPORATION

By:

Name:
Title:

MPRI, INC.

By:

Name:
Title:

ELECTRODYNAMICS, INC.

By:

Name:
Title:

INTERSTATE ELECTRONICS CORPORATION

By:

Name:
Title:

MICRODYNE CORPORATION

By:

Name:
Title:

Exhibit C

ASSIGNMENT FORM

To assign this Security, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Security to:

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Security on the books of the Company. The Agent may substitute another to act for him.

Dated: _____ Your Name: _____
(Print your name exactly as it appears on the face of this Security)

Your Signature:

(Sign exactly as your name appears on the face of this Security)

Signature Guarantee*:
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* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

In connection with any transfer of this Security occurring prior to the date which is the earlier of the end of the period referred to in Rule 144(k) under the Securities Act of 1933, as amended (the "Securities Act"), the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[_] (a) this Security is being transferred in compliance with the exemption from registration under the Securities Act provided by Rule 144A thereunder, and that the transfer has been effected pursuant to and in accordance with Rule 144A under the Securities Act and, accordingly, the undersigned does hereby further certify that the Securities are being transferred to a transferee that the undersigned reasonably believes is purchasing the Securities for its own account, or for one or more accounts with respect to which such transferee exercises sole investment discretion, and such transferee and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

or

[_] (b) this Security is being transferred to the Company or a Subsidiary thereof.

or

[_] (c) this Security is being transferred pursuant to a registration statement which has been declared effective under the Securities Act of 1933, as amended, and which continued to be in effect at the time of this transfer.

or

[_] (d) this Security is being transferred other than in accordance with (a), (b) and (c) above and documents are being furnished which comply with the conditions of transfer set forth in this Security and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Security in the name of any Person other than the Holder hereof unless the conditions to any such transfer of registration set forth herein and in Sections 2.7, 2.8 and 2.9 of the Indenture shall have been

satisfied.

Dated: _____ _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:

Signature must be guaranteed by a participant in a recognized signature guarantee medallion program or other signature guarantor acceptable to the Trustee.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that: (a) it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion, in each case for investment and not with a view to distribution; (b) it and any such account is a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act of 1933; (c) it is aware that the sale to it is being made in reliance on Rule 144A; (d) it acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information; and (e) it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

Exhibit D

CONVERSION NOTICE

TO: L-3 COMMUNICATIONS HOLDINGS, INC.
600 Third Avenue, 34th Floor
New York, New York 10016
Attn: Vice President-Finance

COPY TO: THE BANK OF NEW YORK
101 Barclay Street, Floor 21 West
New York, New York 10286
Attn: Corporate Trust Administration (L-3 Communications Holdings, Inc. ____% Convertible Contingent Debt Securities (CODES) due 2035)

The undersigned registered owner of this Security hereby irrevocably exercises the option to convert this Security, or the portion hereof (the principal amount of which is an integral multiple of $1,000) below designated, into cash and shares of Common Stock in accordance with the terms of the Indenture referred to in this Security, and directs that any shares issuable and deliverable upon such conversion, together with any check in payment for fractional shares and any Securities representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Security not converted are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. Any amount required to be paid to the undersigned on account of interest (including Contingent Interest and Additional Interest, if any) accompanies this Security.

Dated: _____ Your Name: _____
(Print your name exactly as it appears on the face of this Security)

Your Signature:

(Sign exactly as your name appears on the face of this Security)

Signature Guarantee*:

Social Security or other Taxpayer Identification Number: _____

Principal amount to be converted (if less than all): $

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

Fill in for registration of shares (if to be issued) and Securities (if to be delivered) other than to and in the name of the registered holder:

_____
(Name)

_____
(Street Address)

_____
(City, State and Zip Code)

Exhibit E

NOTICE OF EXERCISE OF FUNDAMENTAL CHANGE REPURCHASE RIGHT

TO: L-3 COMMUNICATIONS HOLDINGS, INC.
600 Third Avenue, 34th Floor
New York, New York 10016
Attn: Vice President-Finance

The undersigned registered owner of this Security hereby irrevocably acknowledges receipt of a notice from L-3 Communications Holdings, Inc. (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and requests and instructs the Company to repay the entire principal amount of this Security, or the portion thereof (the principal amount of which is an integral multiple of $1,000) below designated, in accordance with the terms of the Indenture referred to in this Security, together with interest (including Contingent Interest and Additional Interest, if any) accrued and unpaid to, but excluding, such date, to the registered holder hereof, in cash.

Dated: _____ Your Name: _____
(Print your name exactly as it appears on the face of this Security)

Your Signature:

(Sign exactly as your name appears on the face of this Security)

Signature Guarantee:*

Social Security or other Taxpayer Identification Number: _____

Principal amount to be repaid (if less than all): $

- ----------
* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

Exhibit F

NOTICE OF EXERCISE OF REPURCHASE RIGHT

TO: L-3 COMMUNICATIONS HOLDINGS, INC.
600 Third Avenue, 34th Floor
New York, New York 10016
Attn: Vice President-Finance

The undersigned registered owner of this Security hereby irrevocably acknowledges receipt of a notice from L-3 Communications Holdings, Inc. (the "Company") as to an optional repurchase date and requests and instructs the Company to repay the entire principal amount of this Security, or the portion thereof (the principal amount of which is an integral multiple of $1,000) below designated, in accordance with the terms of the Indenture referred to in this Security, together with interest (including Contingent Interest and Additional Interest, if any) accrued and unpaid to, but excluding, such date, to the registered holder hereof, in cash.

Dated: _____ Your Name: _____
(Print your name exactly as it appears on the face of this Security)

Your Signature:

(Sign exactly as your name appears on the face of this Security)

Signature Guarantee:*

Social Security or other Taxpayer Identification Number: _____

Principal amount to be repaid (if less than all): $

- ----------
* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Security is $_____. The following increases or decreases of a part of this Global Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease (or increase)	Signature of Authorized officer of Trustee or Securities Coordinator
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EXHIBIT 10.71
EXECUTION VERSION

$1,000,000,000

L-3 COMMUNICATIONS CORPORATION

6 3/8% SENIOR SUBORDINATED NOTES DUE 2015

PURCHASE AGREEMENT

July 27, 2005

LEHMAN BROTHERS INC.
BANC OF AMERICA SECURITIES LLC
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
As representatives (the "Representatives") of the several
Initial Purchasers listed on Schedule 1 hereto

c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Dear Sirs:

L-3 Communications Corporation, a Delaware corporation (the "Company"), proposes to issue and sell to you (the "Initial Purchasers") $1.0 billion in aggregate principal amount of its 6 3/8% Senior Subordinated Notes due 2015 (the "Series A Notes") guaranteed (the "Series A Guarantees" and together with the Series A Notes, the "Series A Notes and Guarantees") by Broadcast Sports Inc., a Delaware corporation, Henschel Inc., a Delaware corporation, Hygienetics Environmental Services, Inc., a Delaware corporation, KDI Precision Products, Inc., a Delaware corporation, L-3 Communications AIS GP Corporation, a Delaware corporation, L-3 Communications Vertex Aerospace LLC, a Delaware limited liability company, L-3 Communications Avionics Systems, Inc., a Delaware corporation, L-3 Communications Aydin Corporation, a Delaware corporation, L-3 Communications CE Holdings, Inc., a Delaware corporation, L-3 Communications Electron Technologies, Inc., a Delaware corporation, L-3 Communications ESSCO, Inc., a Delaware corporation, L-3 Communications Flight International Aviation LLC, a Delaware limited liability company, L-3 Communications Flight Capital LLC, a Delaware limited liability company, L-3 Communications ILEX Systems, Inc., a Delaware corporation, L-3 Communications Integrated Systems L.P., a Delaware limited partnership, L-3 Communications Investments Inc., a Delaware corporation, L-3 Communications Klein Associates, Inc., a Delaware corporation, L-3 Communications MAS (US) Corporation, a Delaware corporation, L-3 Communications Security and Detection Systems, Inc., a Delaware corporation, L-3 Communications Vector International Aviation LLC, a Delaware limited liability company, MPRI, Inc., a Delaware corporation, Pac Ord Inc., a Delaware corporation, Power Paragon, Inc., a Delaware corporation, Ship Analytics International, Inc., a Delaware corporation, SPD Electrical Systems, Inc., a Delaware corporation, SPD Switchgear Inc., a Delaware corporation, Wescam Air Ops Inc., a Delaware corporation, Wescam Air Ops LLC, a Delaware limited liability company, Wescam Holdings (US) Inc., a Delaware corporation, and Wescam LLC, a

Delaware limited liability company (individually a "Delaware Guarantor" and collectively, the "Delaware Guarantors") and Apcom, Inc., a Maryland corporation, D.P. Associates, Inc., a Virginia corporation, Electrodynamics, Inc., an Arizona corporation, Interstate Electronics Corporation, a California corporation, , L-3 Communications Advanced Laser Systems Technology, Inc., a Florida corporation, L-3 Communications Aeromet, Inc., an Oregon corporation, L-3 Communications Avisys Corporation, a Texas corporation, L-3 Communications Cincinnati Electronics Corporation, an Ohio corporation, L-3 Communications CSI, Inc., a California corporation, L-3 Communications Government Services, Inc., a Virginia corporation, L-3 Communications Infraredvision Technology corporation, a California corporation, L-3 Communications Mobile-Vision, Inc., a New Jersey corporation, L-3 Communications Sonoma EO, Inc., a California corporation, L-3 Communications Westwood Corporation, a Nevada corporation, MCTI Acquisition Corporation, a Maryland corporation, Microdyne Communications Technologies Incorporated, a Maryland corporation, Microdyne Corporation, a Maryland corporation, Microdyne Outsourcing Incorporated, a Maryland corporation, Ship Analytics, Inc., a Connecticut corporation, Ship Analytics USA, Inc., a Connecticut corporation, SYColeman Corporation, a Florida corporation, Troll Technology Corporation, a California corporation, Wescam Incorporated, a Florida corporation and Wolf Coach, Inc., a Massachusetts corporation (individually a "Non-Delaware Guarantor," collectively the "Non-Delaware Guarantors" and, together with the Delaware Guarantors, the "Guarantors"), pursuant to the terms of an Indenture (the "Indenture") among the Company, the Guarantors and The Bank

of New York, as trustee (the "Trustee"), relating to the Series A Notes. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture.

The Series A Notes will be offered and sold to you pursuant to an exemption from the registration requirements under the Securities Act of 1933, as amended (the "Act"). The Company will prepare a preliminary offering memorandum, dated July 25, 2005 (the "Preliminary Offering Memorandum") and a final offering memorandum, dated July 27, 2005 (the "Offering Memorandum"), relating to the Company, the Series A Notes and the Series A Guarantees, which will incorporate by reference the Annual Report on Form 10-K of L-3 Communications Holdings, Inc. ("Holdings") and the Company for the fiscal year ended December 31, 2004, the Annual Report on Form 10-K of The Titan Corporation ("Titan") for the fiscal year ended December 31, 2004, the Quarterly Report on Form 10-Q of Holdings and the Company for the three month period ended March 31, 2005, the Quarterly Report on Form 10-Q of Titan for the three month period ended March 31, 2005, the Current Reports on Form 8-K filed by Holdings on June 6, 2005 and July 1, 2005 and the Current Reports on Form 8-K filed by Titan on March 3, 2005, April 18, 2005, May 20, 2005, June 8, 2005, and June 30, 2005 (the "Exchange Act Documents"), each as filed under the Securities Exchange Act of 1934. Any reference to the Offering Memorandum in this Agreement shall be deemed to refer to and include the Exchange Act Documents; provided, however that, if a reference to the Offering Memorandum speaks of a certain date, such reference shall only be deemed to refer to and include the Exchange Act Documents that have been filed on or prior to such date. As described in the Offering Memorandum, the Company will use the net proceeds from the offering of the Series A Notes, together with the concurrent convertible notes offering by Holdings and borrowings under the Company's senior credit facility to finance the Titan acquisition and pay related costs and expenses.

Upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the Securities Act, the Series A Notes (and all securities issued in exchange therefor or in substitution thereof) shall bear the following legend:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE

TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF L-3 COMMUNICATIONS CORPORATION THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF L-3 COMMUNICATIONS CORPORATION SO REQUESTS), (2) TO L-3 COMMUNICATIONS CORPORATION OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE."

You have advised the Company that you will make offers (the "Exempt Resales") of the Series A Notes purchased by you hereunder on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom you reasonably believe to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), and (ii) outside the United States to persons other than U.S. Persons in offshore transactions meeting the requirements of Rule 904 of Regulation S ("Regulations S") under the Securities Act (such persons specified in clauses (i) and (ii) being referred to herein as the "Eligible Purchasers"). As used herein, the terms "offshore transaction," "United States" and "U.S. person" have the respective meanings given to them in Regulation S. You will offer the Series A Notes to Eligible Purchasers initially at a price equal to 100% of the principal amount thereof. Such price may be changed at any time without notice.

Holders (including subsequent transferees) of the Series A Notes will have the registration rights set forth in the registration rights agreement (the "Registration Rights Agreement"), to be dated July 29, 2005 (the "Closing

Date"), in the form of Exhibit C hereto, for so long as such Series A Notes constitute "Transfer Restricted Securities" (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Company and the Guarantors will agree to file with the Securities and Exchange Commission (the "Commission") under the circumstances set forth therein, (i) a registration statement under the Securities Act (the "Exchange Offer Registration Statement") relating to the Company's 6 3/8% Senior Subordinated Notes due 2015 (the "Series B Notes" and, together with the Series A Notes, the "Notes") and the guarantees thereof (the "Series B Guarantees" and, together with the Series A Guarantees, the "Guarantees") to be offered in exchange for the Series A Notes and Guarantees, (such offer to exchange being referred to collectively as the "Registered Exchange Offer") and (ii) a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement") relating to the resale by certain holders of the Series A Notes, and to use all commercially reasonable efforts to cause such Registration Statements to be declared effective. This Agreement, the Notes, the Guarantees (as defined herein), the Indenture and the Registration Rights Agreement are hereinafter referred to collectively as the "Operative Documents." This is to confirm the agreements concerning the purchase of the Series A Notes from the Company by you.

1. Representations, Warranties and Agreements of the Company and the Guarantors. The Company and the Guarantors, jointly and severally represent, warrant and agree that:

(a) The Preliminary Offering Memorandum and the Offering Memorandum with respect to the Series A Notes, which shall be reasonably satisfactory in all material respects to the Initial Purchasers and their counsel, will be prepared by the Company for use by the Initial Purchasers in connection with the Exempt Resales. No order or decree preventing the use of the Preliminary Offering Memorandum and the Offering Memorandum, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act has been issued and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Company and the Guarantors, is contemplated.

(b) The Preliminary Offering Memorandum and the Offering Memorandum as of their respective dates and as of the Closing Date, did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary, in order to make the statements, in light of the circumstances under which they were made, not misleading, except that this representation and warranty does not apply to statements in or omissions from the Preliminary Offering Memorandum and the Offering Memorandum made in reliance upon and in conformity with information relating to the Initial Purchasers furnished to the Company in writing by or on behalf of the Initial Purchasers expressly for use therein.

(c) The market-related and customer-related data and estimates included or incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum will be based on or derived from sources which the Company believes to be reliable and accurate.

(d) The Company and each of its subsidiaries (as defined in Section 16 hereof) have been duly organized and are validly existing as corporations, limited partnerships or limited liability companies, as applicable, in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, except for such qualification and good standing the failure of which, individually or in the aggregate, would not result in a material adverse effect on the condition (financial or other), business, prospects, properties, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect"), and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged.

(e) All of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and conform to the description thereof contained in the Offering Memorandum; and 100% of the issued shares of capital stock or membership interests of each Guarantor of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and (except for directors' qualifying shares) are owned directly or indirectly by the Company or a subsidiary of the Company, free and clear of all liens, encumbrances, equities or claims, other than (A) liens, encumbrances, equities or claims described in the Offering Memorandum or in documents incorporated therein by reference, (B) a pledge of such shares or membership interests to secure the Senior Credit Facility and (C) such other

liens, encumbrances, equities or claims as do not have a Material Adverse Effect.

(f) The Company has all requisite power and authority to execute, deliver and perform its obligations under this Agreement, the Indenture, the Notes, the Guarantees and the Registration Rights Agreement.

(g) This Agreement has been duly authorized, executed and delivered by the Company and the Guarantors.

(h) The Registration Rights Agreement has been duly authorized by the Company and each of the Guarantors, and when duly executed by the proper officers of the Company and the Guarantors (assuming that the Registration Rights Agreement is the valid and binding obligation of the Initial Purchasers) and delivered by the Company and each Guarantor, will constitute a valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing and except as rights to indemnity and contribution thereunder may be limited by Federal or state securities laws or principles of public policy.

(i) The Indenture has been duly and validly authorized by the Company and each of the Guarantors, and when duly executed by the proper officers of the Company and each of the Guarantors (assuming that the Indenture is the valid and binding obligation of the Trustee) and delivered by the Company and each of the Guarantors, will constitute a valid and binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing; no qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act") is required in connection with the Exempt Resales.

(j) The Series A Notes have been duly and validly authorized by the Company and when duly executed by the Company in accordance with the terms of the Indenture and, assuming due authentication of the Series A Notes by the Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing; and the Series A Notes, when issued and delivered, will conform to the description thereof contained in the Offering Memorandum in all material respects.

(k) The Series A Guarantees have been duly and validly authorized by the Guarantors and when duly endorsed on the Series A Notes in accordance with the terms of the Indenture and, assuming due authentication of the Series A Notes by the Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof will constitute valid and binding obligations of each of the Guarantors entitled to the benefits of the Indenture and enforceable against in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing; and the Series A Guarantees, when issued and delivered, will conform to the description thereof contained in the Offering Memorandum in all material respects.

(l) The Series B Notes have been duly and validly authorized by the Company and if and when duly issued and authenticated in accordance with the terms of the Indenture and delivered in accordance with the Registered Exchange Offer provided for in the Registration Rights Agreement, will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture, enforceable against the Company in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors'

rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing.

(m) The guarantees of the Series B Notes (the "Series B Guarantees" and, together with the Series A Guarantees, the "Guarantees") have been duly and validly authorized by the Guarantors and if and when duly endorsed on the Series A Notes in accordance with the terms of the Indenture and delivered in accordance with the Registered Exchange Offer provided for in the Registration Rights Agreement, will constitute valid and binding obligations of each of the Guarantors entitled to the benefits of the Indenture and enforceable against each of the Guarantors in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing.

(n) The execution, delivery and performance of this Agreement and the other Operative Documents by the Company and the Guarantors and the consummation of the transactions contemplated hereby or thereby will not conflict with or constitute a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the properties or assets of the Company or any of its subsidiaries is subject that is material to the financial condition or prospects of the Company and its subsidiaries, taken as a whole (collectively, the "Material Agreements"), except for such breach, violation or default which, individually, or in the aggregate, would not result in a Material Adverse Effect, nor will such actions result in any violation of the provisions of the charter, by-laws or other organizational documents of the Company or any of its subsidiaries or any material law, statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets, provided, that the provisions for indemnification and contribution hereunder and thereunder may be limited by equitable principles and public policy considerations; and except as may be required in connection with the registration under the Securities Act of the Series B Notes and Series B Guarantees in accordance with the Registration Rights Agreement, qualification of the Indenture under the 1939 Act and compliance with the securities or Blue Sky laws of various jurisdictions, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of this Agreement or any of the Operative Documents by the Company and the Guarantors, as applicable, and the consummation of the transactions contemplated hereby and thereby.

(o) Except as described in the Offering Memorandum or in the documents incorporated therein by reference and except as provided by the Registration Rights Agreement and except for agreements that are not inconsistent with the terms of the Registration Rights Agreement and do not require the Company to include any security with the securities registered pursuant to the Exchange Offer Registration Statement or the Shelf Registration Statement, there are no contracts, agreements or understandings between the Company and any person granting such person the right (other than rights which have been waived or satisfied or rights not exercisable in connection with the Offering Memorandum) to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Exchange Offer Registration Statement or the Shelf Registration Statement; and all such rights to include such securities in the securities being registered pursuant to the Exchange Offer Registration Statement or the Shelf Registration Statement have been waived in a manner consistent with the terms under which they were granted.

(p) Except as described in the Offering Memorandum or in the documents incorporated therein by reference and except for the Company's Series B 5 7/8% Senior Subordinated Notes due 2015, the

Company and the Guarantors have not sold or issued any securities with terms that are substantially similar to the Notes and the Guarantees during the six-month period preceding the date of the Offering Memorandum, including any sales pursuant to Rule 144A under, or Regulations D or S of, the Securities Act.

(q) Neither the Company nor any of its subsidiaries has incurred, since the date of the latest audited financial statements included or

incorporated by reference in the Offering Memorandum, any liability or obligation, direct or contingent, or entered into any transaction, in each case not in the ordinary course of business, that would result in a Material Adverse Effect, otherwise than as set forth or contemplated in the Offering Memorandum or in the documents incorporated therein by reference; and, since such date, there has not been any material change in the capital stock or material increase in the short-term or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving or which would reasonably be expected to involve a Material Adverse Effect, otherwise than as described or contemplated in the Offering Memorandum or in the documents incorporated therein by reference.

(r) The historical financial statements, together with related notes, set forth or incorporated by reference in the Offering Memorandum comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act, except with respect to certain information regarding the Guarantors and non-Guarantors. The historical consolidated financial statements of the Company fairly present the financial position and the results of operations and cash flows of the entities purported to be shown thereby, at the dates and for the periods indicated, in accordance with generally accepted accounting principles consistently applied throughout such periods. The other financial and statistical information and data included or incorporated by reference in the Offering Memorandum have been derived from the financial records of the Company (or its predecessors) and, in all material respects, have been prepared on a basis consistent with such books and records of the Company (or its predecessor), except as disclosed therein.

(s) PricewaterhouseCoopers LLP, who have certified certain financial statements of the Company, whose report is incorporated by reference in the Offering Memorandum and who have delivered the initial letter referred to in Section 8(f) hereof, are independent certified public accountants as required by the Securities Act and the Exchange Act (as defined below) and the Rules and Regulations promulgated thereunder during the periods covered by the financial statements on which they reported incorporated in the Offering Memorandum;

(t) KPMG LLP, who have certified certain financial statements of The Titan Corporation, whose report is incorporated by reference in the Offering Memorandum and who have delivered the initial letter referred to in Section 8(f) hereof, are, to our knowledge, independent public accountants as required by the Securities Act and the Exchange Act (as defined below) and the Rules and Regulations promulgated thereunder during the periods covered by the financial statements on which they reported incorporated in the Offering Memorandum;

(u) The Company and each of its subsidiaries have good and marketable title to all property (real and personal) described in the Offering Memorandum as being owned by them, free and clear of all liens, claims, security interests or other encumbrances except such as are described in the Offering Memorandum or in the documents incorporated therein by reference or, to the extent that any such liens, claims, security interests or other encumbrances would not have a Material Adverse Effect (individually or in the aggregate) and all the material property described in the Offering Memorandum as being held under lease by the Company and its subsidiaries is held by them under valid, subsisting and enforceable leases, with only such exceptions as would not have a Material Adverse Effect (individually or in the aggregate).

(v) The Company and each of its subsidiaries own or possess adequate rights to use all material patents, trademarks, service marks, trade names, copyrights, licenses, inventions, trade secrets and other rights, and all registrations or applications relating thereto, described in the Offering Memorandum as

being owned by them or necessary for the conduct of their business, except as such would not have a Material Adverse Effect (individually or in the aggregate), and the Company is not aware of any pending or threatened claim to the contrary or any pending or threatened challenge by any other person to the rights of the Company and its subsidiaries with respect to the foregoing which, if determined adversely to the Company and its subsidiaries, would have a Material Adverse Effect (individually or in the aggregate).

(w) Except as described in the Offering Memorandum or in the documents incorporated therein by reference, there are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened, against the Company or any of its subsidiaries or to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, are reasonably likely to cause a Material Adverse Effect.

(x) There are no contracts or other documents which would be required to be described in a prospectus contained in a registration statement on Form S-3 by the Securities Act or by the rules and regulations thereunder which have not been described in the Offering Memorandum or in the documents incorporated therein by reference.

(y) No material relationship, direct or indirect, exists between or among the Company on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company on the other hand, except as described in the Offering Memorandum or in the documents incorporated therein by reference.

(z) The Company is not involved in any strike, job action or labor dispute with any group of employees that would have a Material Adverse Effect, and, to the Company's knowledge, no such action or dispute is threatened.

(aa) Except as disclosed in the Offering Memorandum or in the documents incorporated therein by reference, the Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) subject to Title IV of ERISA for which the Company would have any material liability; the Company has not incurred and does not expect to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any such "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code") (other than contributions in the normal course which are not in default); and each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would reasonably be expected to cause the loss of such qualification.

(bb) The Company and its subsidiaries have filed all federal, state and local income and franchise tax returns required to be filed through the date hereof and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company or any of its subsidiaries nor does the Company have any knowledge of any tax deficiency which, if determined adversely to the Company and its subsidiaries, might have a Material Adverse Effect.

(cc) Neither the Company nor any of its subsidiaries (i) is in violation of its charter or by-laws or other organizational documents, (ii) is in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other

agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the properties or assets of the Company or any of its subsidiaries is subject or (iii) is in violation in any respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii) or (iii) as would not, individually or in the aggregate, have a Material Adverse Effect.

(dd) To the best of the Company's knowledge, neither the Company nor any of its subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds or violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; except as such that would not have a Material Adverse Effect or as described in the Offering Memorandum or in the documents incorporated therein by reference.

(ee) Except as disclosed in the Offering Memorandum or in the documents incorporated therein by reference, there has been no storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes or hazardous substances by the Company or any of its subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company or its subsidiaries in violation of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit or which would require remedial action under any applicable

law, ordinance, rule, regulation, order, judgment, decree or permit, except for any violation or remedial action which would not have, or would not be reasonably likely to have, singularly or in the aggregate with all such violations and remedial actions, a Material Adverse Effect; there has been no material spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any toxic wastes, medical wastes, solid wastes, hazardous wastes or hazardous substances due to or caused by the Company or any of its subsidiaries or with respect to which the Company has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have or would not be reasonably likely to have, singularly or in the aggregate with all such spills, discharges, leaks, emissions, injections, escapes, dumpings and releases, a Material Adverse Effect; and the terms "hazardous wastes," "toxic wastes," "hazardous substances" and "medical wastes" shall have the meanings specified in any applicable local, state, federal and foreign laws or regulations with respect to environmental protection.

(ff) Neither the Company nor any subsidiary is, and upon the sale of the Series A Notes to be issued and sold thereby in accordance herewith and the application of the net proceeds to the Company of such sale as described in the Offering Memorandum under the caption "Use of Proceeds," will not be, an "investment company" within the meaning of such term under the United States Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

(gg) Neither the Company nor any affiliate (as defined in Rule 501(b) of Regulation D ("Regulation D") under the Securities Act) of the Company has directly, or through any agent (provided that no representation is made as to the Initial Purchasers or any person acting on its behalf), (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or could be integrated with the offering and sale of the Notes in a manner that would require the registration of the Series A Notes under the Securities Act or (ii) engaged in any form of general solicitation or general advertising (within the meaning of Regulation D, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or

broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) in connection with the offering of the Series A Notes.

(hh) Except as permitted by the Securities Act, the Company has not distributed and, prior to the later to occur of the Closing Date and completion of the distribution of the Series A Notes, will not distribute any offering material in connection with the offering and sale of the Series A Notes other than the Offering Memorandum.

(ii) When the Series A Notes are issued and delivered pursuant to this Agreement, such Series A Notes will not be of the same class (within the meaning of Rule 144A under the Securities Act) as securities of the Company that are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or that are quoted in a U.S. automated inter-dealer quotation system.

(jj) Assuming (i) that your representations and warranties in Section 2 are true, (ii) compliance by you with your covenants set forth in Section 2 and (iii) that each of the Eligible Purchasers is a QIB or a person who is not a "U.S. person" who acquires the Series A Notes outside the United States in an "offshore transaction" (within the meaning of Rule 904 of Regulation S), the purchase of the Series A Notes by you pursuant hereto and the resale of the Series A Notes pursuant hereto pursuant to the Exempt Resales is exempt from the registration requirements of the Securities Act.

(kk) None of the Company or any of its affiliates or any person acting on its or their behalf has engaged or will engage in any directed selling efforts within the meaning of Regulation S with respect to the Notes, and the Company and its affiliates and all persons acting on its of their behalf have complied with and will comply with the offering restrictions requirements of Regulation S in connection with the offering of the Notes outside of the United States. The sales of the Series A Notes pursuant to Regulation S are "offshore transactions" and are not part of a plan or scheme to evade the registration provision of the Securities Act. The Company makes no representation in this paragraph (jj) with respect to the Initial Purchasers.

(ll) The Company is a "reporting issuer" as defined in Rule 902 under the Securities Act.

(mm) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-14 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; (ii) have been evaluated for effectiveness as of the end of the period covered by the Company's most recent annual or quarterly report filed with the Commission; and (iii) are effective in all material respects to perform the functions for which they were established.

(nn) Based on the evaluation of its disclosure controls and procedures, the Company is not aware of (i) any significant deficiency in the design or operation of internal controls over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in internal controls or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(oo) Since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could

significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(pp) Except for the documents currently on file with the Securities and Exchange Commission as "material contracts" within the meaning of Item 601 of Regulation S-K under the Securities Act of 1933, as amended, there are no agreements of the Company that would be required to be filed as "material contracts" pursuant to such Item 601.

2. Representations, Warranties and Agreements of the Initial Purchasers. Each Initial Purchaser represents and warrants with respect to itself that:

(a) Such Initial Purchaser is a QIB under the Securities Act (each, an "Accredited Institution"), in either case with such knowledge and experience in financial and business matters as are necessary in order to evaluate the merits and risks of an investment in the Series A Notes.

(b) Such Initial Purchaser (i) is not acquiring the Series A Notes with a view to any distribution thereof or with any present intention of offering or selling any of the Series A Notes, in each case in a transaction that would violate the Securities Act or the securities laws of any State of the United States or any other applicable jurisdiction; (ii) in connection with the Exempt Resales, will solicit offers to buy the Series A Notes only from, and will offer to sell the Series A Notes only to, the Eligible Purchasers in accordance with this Agreement and on the terms contemplated by the Offering Memorandum; and (iii) will not offer or sell the Series A Notes, nor has it offered or sold the Series A Notes by, or otherwise engaged in, any form of general solicitation or general advertising (within the meaning of Regulation D; including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) in connection with the offering of the Series A Notes.

(c) The Series A Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. The Initial Purchasers represent that they have not offered, sold or delivered the Series A Notes, and will not offer, sell or deliver the Series A Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Series A Notes and the Closing Date (such period, the "Restricted Period"), within the United States or to, or for the account or benefit of U.S. persons, except in accordance with Rule 144A under the Securities Act or in transactions that are exempt from the registration requirements of the Securities Act. Accordingly, each Initial Purchaser represents and agrees that neither it, nor any of its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts within the meaning of Rule 901(b) of Regulation S with respect to the Series A Notes, and it, its affiliates and all persons acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S.

(d) Such Initial Purchaser agrees that, at or prior to confirmation of a sale of Series A Notes (other than a sale pursuant to Rule 144A in transactions that are exempt from the registration requirements of the Securities Act), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Series A Notes from it during the Restricted Period a confirmation or notice substantially to the following effect:

"THE NOTES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED AND SOLD

WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (I) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (II) OTHERWISE UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OR THE CLOSING DATE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S (OR RULE 144A IF AVAILABLE) UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANINGS ASSIGNED TO THEM IN REGULATION S."

Such Initial Purchaser further agrees that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Series A Notes, except with its affiliates or with the prior written consent of the Company.

(e) Each Initial Purchaser hereby represents and warrants to, and agrees with, the company that (i) it and each of its affiliates have not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to the expiration of the period of six months from the Closing Date, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it and each of its affiliates have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (iii) it and each of its affiliates have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

(f) Such Initial Purchaser agrees not to cause any advertisement of the Series A Notes to be published in any newspaper or periodical or posted in any public place and not to issue any circular relating to the Series A Notes, except such advertisements as include the statements required by Regulation S.

(g) The sales of the Series A Notes pursuant to Regulation S are "offshore transactions" and are not part of a plan or scheme to evade the registration provisions of the Securities Act.

(h) Such Initial Purchaser understands that the Company and, for purposes of the opinions to be delivered to you pursuant to Section 8 hereof, counsel to the Company, General Counsel to the Company and counsel to the Initial Purchasers, will rely upon the accuracy and truth of the foregoing representations and you hereby consent to such reliance.

The terms used in this Section 2 that have meanings assigned to them in Regulation S are used herein as so defined.

Each Initial Purchaser further agrees that, in connection with the Exempt Resales, it will solicit offers to buy the Series A Notes only from, and will offer to sell the Series A Notes only to, the Eligible Purchasers in Exempt Resales.

3. Purchase of the Notes and the Guarantees by the Initial Purchasers. On the basis of the representations and warranties contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell the Series A Notes (and cause the Guarantors to issue the Series A Guarantees) to the several Initial Purchasers and each of the Initial Purchasers, severally and not jointly, agrees to purchase the aggregate principal amount of Series A Notes set opposite that Initial Purchaser's name in Schedule 1 hereto. Each Initial Purchaser will purchase such aggregate principal

amount of Series A Notes at an aggregate purchase price equal to 97.34% of the principal amount thereof (the "Purchase Price").

The Company shall not be obligated to deliver any of the Series A Notes and the Series A Guarantees to be delivered on the Closing Date (as defined herein), except upon payment for all the Series A Notes to be purchased on the Closing Date as provided herein.

4. Delivery of and Payment for the Notes and the Guarantees.

(a) Delivery of and payment for the Series A Notes and the Series A Guarantees shall be made at the office of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 at 10:00 A.M., New York City time, on the Closing Date. The place of closing for the Series A Notes and the Closing Date may be varied by agreement between the Initial Purchasers and the Company.

(b) On the Closing Date, one or more Series A Notes in definitive form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), or such other names as the Initial Purchasers may request upon at least one business days' notice to the Company, having an aggregate principal amount corresponding to the aggregate principal amount of Series A Note sold pursuant to Eligible Resales (collectively, the "Global Note"), shall be delivered by the Company to the Initial Purchasers against payment by the Initial Purchasers of the purchase price thereof by wire transfer of immediately available funds as the Company may direct by written notice delivered to you two business days prior to the Closing Date. The Global Note in definitive form shall be made available to you for inspection not later than 2:00 p.m. on the business day prior to the Closing Date.

(c) Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Initial Purchaser hereunder.

5. Further Agreements of the Company. The Company agrees:

(a) To advise you promptly and, if requested by you, to confirm such advice in writing, of (i) the issuance by any state securities commission of any stop order suspending the qualification or exemption from qualification of any Series A Notes or Series A Guarantees for offering or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose by the Commission or any state securities commission or other regulatory authority, and (ii) the happening of any event that makes any statement of a material fact made in the Offering Memorandum untrue or which requires the making of any additions to or changes in the Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company shall use all commercially reasonable efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of the Series A Notes or Series A Guarantees under any state securities or Blue Sky laws and, if at any time any state securities commission shall issue any stop order suspending the qualification or exemption of the Series A Notes or Series A Guarantees under any state securities or Blue Sky laws, the Company shall use every reasonable effort to obtain the withdrawal or lifting of such order at the earliest possible time.

(b) To furnish to you, as many copies of the Offering Memorandum, and any amendments or supplements thereto, as you may reasonably request. Such copies shall be furnished without charge for use in connection with the Exempt Resales for the nine-month period immediately following the Closing Date. The Company consents to the use of the Offering Memorandum, and any amendments and supplements thereto required pursuant to this Agreement, by you in connection with the Exempt Resales that are in compliance with this Agreement.

(c) Not to amend or supplement the Offering Memorandum prior to the Closing Date or during the period referred to in (d) below unless you shall previously have been advised of, and shall not have reasonably objected to, such amendment or supplement within a reasonable time, but in any event not longer than five days after being furnished a copy of such amendment or supplement. The Company shall promptly prepare, upon any reasonable request by you, any amendment or supplement to the Offering Memorandum that may be necessary or advisable in connection with Exempt Resales.

(d) If, in connection with any Exempt Resales or market making transactions after the date of this Agreement and prior to the consummation of the Registered Exchange Offer, any event shall occur that, in the judgment of the Company or in the reasonable judgment of counsel to you, makes any statement of a material fact in the Offering Memorandum untrue or that requires the making

of any additions to or changes in the Offering Memorandum in order to make the statements in the Offering Memorandum, in light of the circumstances under which they were made at the time that the Offering Memorandum is delivered to prospective Eligible Purchasers, not misleading, or if it is necessary to amend or supplement the Offering Memorandum to comply with applicable law, the Company shall promptly notify you of such event and prepare an appropriate amendment or supplement to the Offering Memorandum so that (i) the statements in the Offering Memorandum as amended or supplemented will, in light of the circumstances under which they were made at the time that the Offering Memorandum is delivered to prospective Eligible Purchasers, not be misleading and (ii) the Offering Memorandum will comply with applicable law.

(e) Promptly from time to time to take such action as the Initial Purchasers may reasonably request to qualify the Series A Notes and the Series A Guarantees for offering and sale under the securities laws of such jurisdictions as the Initial Purchasers may request (provided, however, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to taxation or to general consent to service of process in any jurisdiction in which it is not now so subject) and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Series A Notes and the Series A Guarantees.

(f) Prior to the Closing Date, to furnish to you, as soon as they have been prepared, a copy of any internal consolidated financial statements of the Company for any period subsequent to the period covered by the financial statements appearing in the Offering Memorandum.

(g) To use all commercially reasonable efforts to do and perform all things required to be done and performed under this Agreement by it prior to or after the Closing Date and to satisfy all conditions precedent on its part to the delivery of the Series A Notes and the Series A Guarantees.

(h) Not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that would be integrated with the sale of the Series A Notes in a manner that would require the registration under the Securities Act of the sale to you or the Eligible Purchasers of Series A Notes.

(i) During any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act within the two-year period following the Closing Date, to make available to any registered holder or beneficial owner of Series A Notes in connection with any sale thereof and any prospective purchaser of such Series A Notes from such registered holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act.

(j) To use all commercially reasonable efforts to effect the inclusion of the Notes in the National Association of Securities Dealers, Inc. Automated Quotation System - PORTAL ("PORTAL").

(k) To apply the net proceeds from the sale of the Series A Notes being sold by the Company as set forth in the Offering Memorandum under the caption "Use of Proceeds."

(l) To take such steps as shall be necessary to ensure that neither the Company nor any subsidiary shall become an "investment company" within the meaning of such term under the United States Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

(m) To take such steps as shall be necessary to ensure that all the subsidiaries of the Company that are not designated as "unrestricted subsidiaries" or "foreign subsidiaries" in accordance with the Indenture will become guarantors of the Notes to the extent required by the terms of the Indenture.

(n) For a period of 90 days from the date of the issuance of the Series A Notes, not to offer, sell, or contract to sell or otherwise dispose of, or announce the offering of, any debt securities substantially similar to the Series A Notes or securities convertible into such debt securities issued or guaranteed by the Company, except (i) for the Series B Notes in connection with the Registered Exchange Offer or (ii) with the prior consent of Lehman Brothers Inc.

6. No fiduciary duty. The Company acknowledges and agrees that in connection with this offering and sale of the Series A Notes or any other services the Initial Purchasers may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the

parties or any oral representations or assurances previously or subsequently made by the Initial Purchasers: (i) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Initial Purchasers, on the other, exists; (ii) the Initial Purchasers are not acting as advisors, expert or otherwise, to the Company and such relationship between the Company, on the one hand, and the Initial Purchasers, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that the Initial Purchasers may have to the Company shall be limited to those duties and obligations specifically stated herein; and (iv) the Initial Purchasers and their respective affiliates may have interests that differ from those of the Company. The Company hereby waives any claims that the Company may have against the Initial Purchasers with respect to any breach of fiduciary duty in connection with the Offering.

7. Expenses. The Company agrees to pay: (a) the costs incident to the authorization, issuance, sale and delivery of the Notes and the Guarantees and any taxes payable in that connection; (b) the costs incident to the preparation, printing and filing of the Offering Memorandum and any amendments and supplements thereto; (c) the costs of distributing the Offering Memorandum and any amendment or supplement to the Offering Memorandum, all as provided in this Agreement; (d) the fees, disbursements and expenses of the Company's counsel and accountants; (e) all expenses and listing fees in connection with the application for quotation of the Series A Notes in PORTAL; (f) all fees and expenses (including fees and expenses of counsel) of the Company in connection with approval of the Notes by DTC for "book-entry" transfer; (g) the fees and expenses of qualifying the Notes and Guarantees under the securities laws of the several jurisdictions as provided in Section 5(e) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the Initial Purchasers); (h) any fees charged by securities rating services for rating the Notes and Guarantees; (i) all costs and expenses incident to the performance of the Company's obligations under Section 10; and (j) all other costs and expenses incident to the performance of the obligations of the Company and the Guarantors.

8. Conditions of Initial Purchasers' Obligations. The respective obligations of the Initial Purchasers hereunder are subject to the accuracy, when made and on the Closing Date, of the representations and warranties of the Company and the Guarantors contained herein, to the performance

by the Company and the Guarantors of their obligations hereunder, and to each of the following additional terms and conditions:

(a) No Initial Purchaser shall have discovered and disclosed to the Company on or prior to the Closing Date that the Offering Memorandum or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Latham & Watkins LLP, counsel for the Initial Purchasers, is material or omits to state a fact which, in the opinion of such counsel, is material and is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the other Operative Documents, the Offering Memorandum, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Initial Purchasers, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(c) Simpson Thacher & Bartlett LLP shall have furnished to the Initial Purchasers, its written opinion, as counsel to the Company, addressed to the Initial Purchasers and dated the Closing Date, substantially in the form attached hereto as Exhibit A-1, and its negative assurance letter substantially in the form attached hereto as Exhibit A-2.

(d) Christopher C. Cambria, General Counsel of the Company, shall have furnished to the Initial Purchasers his written opinion, as General Counsel to the Company, addressed to the Initial Purchasers and dated the Closing Date, in the form attached hereto as Exhibit B.

(e) The Initial Purchasers shall have received from Latham & Watkins LLP, counsel for the Initial Purchasers, such opinion or opinions, dated the Closing Date, with respect to the issuance and sale of the Series A Notes, the Series A Guarantees, the Offering Memorandum and other related matters as the Initial Purchasers may reasonably request, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(f) On the Closing Date, the Initial Purchasers shall have received

from each of PricewaterhouseCoopers LLP and KPMG LLP, a letter dated the Closing Date, regarding the Offering Memorandum and the Exchange Act Documents, in accordance with professional standards established by the AICPA and in form and substance satisfactory to the Initial Purchasers, addressed to the Initial Purchasers (i) confirming that they are independent public accountants under Rule 101 of the AICPA's Code of Professional Conduct, and its interpretation and rulings and (ii) stating, as of the date thereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five days prior to the date thereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to Initial Purchasers in connection with registered public offerings.

(g) On or prior to 5:00 p.m. (EST) July 28, 2005, the Company shall have furnished copies of the Offering Memorandum, and any amendments or supplements thereto, which shall be reasonably satisfactory in all material respects to counsel for the Initial Purchasers, to the Initial Purchasers.

(h) The Company and the Guarantors shall have furnished to the Initial Purchasers a certificate, dated the Closing Date and delivered on behalf of the Company or the Guarantors, as the case may be, of their respective Chairman of the Board, their respective President or a Vice President and their respective Chief Financial Officer stating that:

(i) The representations and warranties of the Company and the Guarantors in Section 1 are true and correct as of the Closing Date; the Company and the Guarantors have complied with all their agreements contained herein; and the conditions set forth in Sections 8(i) and 8(j) have been fulfilled; and

(ii) They have carefully examined the Offering Memorandum and, in their opinion (A) the Offering Memorandum as of its date and as of the Closing Date, did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the date of the Offering Memorandum, no event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum.

(i) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements incorporated by reference in the Offering Memorandum any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Offering Memorandum (or in the documents incorporated therein by reference) or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the business, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the Offering Memorandum (or in the documents incorporated therein by reference), the effect of which, in any such case described in clause (i) or (ii), is, in the judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Notes and the Guarantees being delivered on the Closing Date on the terms and in the manner contemplated in the Offering Memorandum.

(j) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities.

(k) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange, the NASDAQ National Market or the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the

United States or there shall have been a declaration of a national emergency or war by the United States or there shall have occurred any other calamity or crisis (including, without limitation, as a result of terrorist activities) or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including without limitation as a result of terrorist activities after the date hereof, or the effect of international conditions on the financial markets in the United States shall be such, as to make it in the case of (iii) or (iv), in the sole judgment of a majority in interest of the Representatives, impracticable or inadvisable to proceed with the public offering or delivery of the Notes being delivered on the Closing Date on the terms and in the manner contemplated in the Offering Memorandum.

(l) On or prior to the Closing Date, The Depository Trust Company shall have accepted the Series A Notes for clearance.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

9. Indemnification and Contribution.

(a) The Company and the Guarantors shall jointly and severally indemnify and hold harmless each Initial Purchaser, its officers and employees and each person, if any, who controls any Initial Purchaser within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Notes and Guarantees), to which that Initial Purchaser, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained (A) in the Preliminary Offering Memorandum, Offering Memorandum or in any amendment or supplement thereto or (B) in any blue sky application or other document prepared or executed by the Company (or based upon any written information furnished by the Company) specifically for the purpose of qualifying any or all of the Series A Notes under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "Blue Sky Application"), (ii) the omission or alleged omission to state in the Preliminary Offering Memorandum, Offering Memorandum, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any act or failure to act or any alleged act or failure to act by any Initial Purchaser in connection with, or relating in any manner to, the Notes or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (provided that the Company and the Guarantors shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Initial Purchaser through its gross negligence or willful misconduct), and shall reimburse each Initial Purchaser and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Initial Purchaser, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company and the Guarantors shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Offering Memorandum, Offering Memorandum, or in any such amendment or supplement, or in any Blue Sky Application, in reliance upon and in conformity with written information concerning such Initial Purchaser furnished to the Company by or on behalf of any Initial Purchaser specifically for inclusion therein and provided further, that the foregoing indemnity agreement with respect to any Preliminary Offering Memorandum shall not inure to the benefit of any Initial Purchasers who it shall be established failed to deliver the Offering Memorandum to the person asserting any losses, claims, damages, liabilities and judgments caused by any untrue statement or alleged untrue statement of a material fact or an omission or alleged omission to state a material fact required to be stated in such Preliminary Offering Memorandum or necessary to make the statements in such Preliminary Offering Memorandum not misleading, if (A) the Company shall have furnished copies of the Offering Memorandum to the several Initial Purchasers in the requisite quantity and sufficiently on a timely basis to permit proper delivery of the Offering Memorandum to such person; (B) such misstatement or omission or alleged misstatement or omission was cured in the Offering

Memorandum and the Offering Memorandum was required by law to be delivered to such person at or prior to the written confirmation of the sale of the Series

A Notes to such person and (C) the timely delivery of the Offering Memorandum to such person would have constituted a valid defense to the losses, claims, damages, liabilities and judgments asserted by such person. The foregoing indemnity agreement is in addition to any liability which the Company and the Guarantors may otherwise have to any Initial Purchaser or to any officer, employee or controlling person of that Initial Purchaser.

(b) Each Initial Purchaser, severally and not jointly, shall indemnify and hold harmless the Company, the Guarantors, their officers and employees, each of their directors, and each person, if any, who controls the Company and the Guarantors within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company, the Guarantors or any such director, officer or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained (A) in the Preliminary Offering Memorandum, Offering Memorandum or in any amendment or supplement thereto, or (B) in any Blue Sky Application or (ii) the omission or alleged omission to state in the Preliminary Offering Memorandum, Offering Memorandum, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Initial Purchaser furnished to the Company by or on behalf of that Initial Purchaser specifically for inclusion therein, and shall reimburse the Company, the Guarantors and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company, such Guarantor or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Initial Purchaser may otherwise have to the Company, the Guarantors or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 9, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 9 except to the extent it has been materially prejudiced by such failure and, provided further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 9. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 9 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of the indemnified party unless (i) the employment thereof has been specifically authorized by the indemnifying party in writing, (ii) such indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party and in the reasonable judgment of such counsel it is advisable for such indemnified party to employ separate counsel or (iii) the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense

of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to one local counsel) at any time for all such indemnified parties, which firm shall be designated in writing by Lehman Brothers Inc., if the indemnified parties under this Section 9 consist of any Initial Purchaser or any of their respective officers, employees or controlling persons, or by the Company, if the indemnified parties under this Section consist of the Company, the Guarantors or any of the Company's or the Guarantors' directors, officers, employees or controlling persons. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 9 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 9(a) or 9(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other from the offering of the Series A Notes and the Series A Guarantees or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Series A Notes purchased under this Agreement (before deducting expenses) received by the Company and the Guarantors, on the one hand, and the total discounts and commissions received by the Initial Purchasers with respect to the Series A Notes and the Series A Guarantees purchased under this Agreement, on the other hand, bear to the total gross proceeds from the offering of the Series A Notes under this Agreement. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Guarantors or the Initial Purchasers, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contributions pursuant to this Section 9(d) were to be determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section shall be deemed to include, for purposes of this Section 9(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9(d), no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Series A

Notes purchased by it was resold to Eligible Purchasers exceeds the amount of any damages which such Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute as provided in this Section 9(d) are

several in proportion to their respective underwriting obligations and not joint.

(e) The Initial Purchasers severally confirm and the Company and the Guarantors acknowledge that the last paragraph on page ii and the last paragraph and the fourth to last paragraph under the caption "Plan of Distribution" constitute the only information concerning such Initial Purchasers furnished in writing to the Company by or on behalf of the Initial Purchasers specifically for inclusion in the Offering Memorandum.

10. Termination. The obligations of the Initial Purchasers hereunder may be terminated by Lehman Brothers Inc. by notice given to and received by the Company prior to delivery of and payment for the Series A Notes and the Series A Guarantees if, prior to that time, any of the events described in Sections 8(i), 8(j) or 8(k), shall have occurred or if the Initial Purchasers shall decline to purchase the Series A Notes for any reason permitted under this Agreement.

11. Reimbursement of Initial Purchasers' Expenses. If the Company and the Guarantors shall fail to tender the Series A Notes and the Series A Guarantees for delivery to the Initial Purchasers by reason of any failure, refusal or inability on the part of the Company and the Guarantors to perform any agreement on its part to be performed, or because any other condition of the Initial Purchasers' obligations hereunder required to be fulfilled by the Company and the Guarantors is not fulfilled, the Company and the Guarantors will reimburse the Initial Purchasers for all reasonable out-of-pocket expenses (including fees and disbursements of counsel) incurred by the Initial Purchasers in connection with this Agreement and the proposed purchase of the Series A Notes and the Series A Guarantees, and upon demand the Company and the Guarantors shall pay the full amount thereof to the Initial Purchasers.

12. Notices, etc. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchasers, shall be delivered or sent by mail, telex or facsimile transmission to (i) Lehman Brothers Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: 212-497-4815) and (ii) Credit Suisse First Boston LLC, Eleven Madison Avenue, New York, New York 10010-3629, Attention: Transactions Advisory Group (Fax: 212-325-4296) and (iii) Banc of America Securities LLC, 9 West 57th Street, New York, New York 10019, Attention: Joseph Giacobbe (Fax: 212-583-8273) and (iv) Bear, Stearns & Co. Inc, 383 Madison Avenue, New York, New York 10179, Attention: H. Charles Diao, with a copy to Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022, Attention: Kirk A. Davenport (Fax: 212-751-4864) and, in the case of any notice pursuant to Section 9, to the Director of Litigation, Office of the General Counsel (Fax: 212-520-0421), Lehman Brothers Inc., 399 Park Avenue, 10th Floor (fax: 212-520-0421), New York, NY 10019; and

(b) if to the Company and the Guarantors, shall be delivered or sent by mail, telex or facsimile transmission to L-3 Communications Corporation, 600 Third Avenue, 34th Floor, New York, New York 10016, Attention: Christopher C. Cambria (Fax: 212-805-5494), with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention: Vincent Pagano, Jr. (Fax: (212) 455-2502).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Initial Purchasers by Lehman Brothers Inc.

13. Research Independence. In addition, the Company and the Guarantors acknowledge that the Initial Purchasers' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Initial Purchasers' research analysts may hold and make statements or investment recommendations and/or publish research reports with respect to the Company and the Guarantors and/or the offering that differ from the views of its investment bankers. The Company and the Guarantors hereby waive and release, to the fullest extent permitted by law, any claims that the Company or the Guarantors may have against the Initial Purchasers with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company or the Guarantors by such Initial Purchasers' investment banking divisions. The Company and the Guarantors acknowledge that each of the Initial Purchasers is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies which may be the subject of the transactions contemplated by this

Agreement.

14. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Company, the Guarantors and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (A) the representations, warranties, indemnities and agreements of the Company and the Guarantors contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any Initial Purchaser within the meaning of Section 15 of the Securities Act and (B) the indemnity agreement of the Initial Purchasers contained in Section 9(b) of this Agreement shall be deemed to be for the benefit of directors of the Company and the Guarantors and any person controlling the Company and the Guarantors within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 14, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

15. Survival. The respective indemnities, representations, warranties and agreements of the Company, the Guarantors and the Initial Purchasers contained in this Agreement or made by or on behalf on them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Notes and the Guarantees and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any of them or any person controlling any of them.

16. Definition of the Terms "Business Day" and "Subsidiary." For purposes of this Agreement, (a) "business day" means each Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close and (b) "subsidiary" has the meaning set forth in Rule 405 of the rules and regulations of the Commission under the Securities Act.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK.

18. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

19. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

[Signature pages follows]

If the foregoing correctly sets forth the agreement among the Company, the Guarantors and the Initial Purchasers, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

L-3 COMMUNICATIONS CORPORATION,
as the Company

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President, Secretary and General Counsel

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.

L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRARED VISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE VISION, INC.
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION

SENIOR SUBORDINATED NOTES PURCHASE AGREEMENT

MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.,
as Guarantors

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., as a Guarantor

By: L-3 COMMUNICATIONS AIS GP CORPORATION,
as general partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Director

SENIOR SUBORDINATED NOTES PURCHASE AGREEMENT

Accepted:

LEHMAN BROTHERS INC.
BANC OF AMERICA SECURITIES LLC
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
For themselves and as Representatives
of the several Initial Purchasers named
in Schedule 1 hereto

By: LEHMAN BROTHERS INC.

By: /s/ Steve Mehos

Authorized Representative

EXHIBIT 10.72
EXECUTION VERSION

$600,000,000

L-3 COMMUNICATIONS HOLDINGS, INC.

3% CONVERTIBLE CONTINGENT DEBT SECURITIES (CODES) DUE 2035

PURCHASE AGREEMENT

July 27, 2005

LEHMAN BROTHERS INC.
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
BANC OF AMERICA SECURITIES LLC
As representatives (the "Representatives") of the several
Initial Purchasers listed on Schedule 1 hereto
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

L-3 Communications Holdings, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell $600,000,000 in aggregate principal amount of its 3% Convertible Contingent Debt Securities CODES due 2035 (the "Firm CODES") to Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC and Banc of America Securities LLC (collectively, the "Initial Purchasers"). In addition, the Company proposes to grant to the Initial Purchasers an option (the "Option") to purchase up to an additional $100,000,000 in aggregate principal amount of 3% Convertible Contingent Debt Securities CODES due 2035 (the "Optional CODES" and, together with the Firm CODES, the "CODES").

The CODES will be convertible into fully paid, nonassessable shares of common stock of the Company, par value $0.01 per share (the "Common Stock"), on the terms, and subject to the conditions, set forth in the Indenture (as defined below). As used herein, "Conversion Shares" means the shares of Common Stock into which the CODES are convertible. The CODES will be issued pursuant to an indenture (the "Indenture") to be dated as of the First Delivery Date (as defined in Section 2(a)), between the Company and The Bank of New York, as Trustee (the "Trustee"). The Company's obligations under the CODES, including the due and punctual payment of interest on the CODES, will be unconditionally guaranteed (the "Guarantees") by certain of the present domestic subsidiaries of the Company, including, as of this date, L-3 Communications Corporation, a Delaware corporation, Broadcast Sports Inc., a Delaware corporation, Henschel Inc., a Delaware corporation, Hygienetics Environmental Services, Inc., a Delaware corporation, KDI Precision Products, Inc., a Delaware corporation, L-3 Communications AIS GP Corporation, a Delaware corporation, L-3 Communications Vertex Aerospace LLC, a Delaware limited liability company, L-3 Communications Avionics Systems, Inc., a Delaware corporation, L-3 Communications Aydin Corporation, a Delaware corporation,

L-3 Communications CE Holdings, Inc., a Delaware corporation, L-3 Communications Electron Technologies, Inc., a Delaware corporation, L-3 Communications ESSCO, Inc., a Delaware corporation, L-3 Communications Flight International Aviation LLC, a Delaware limited liability company, L-3 Communications Flight Capital LLC, a Delaware limited liability company, L-3 Communications ILEX Systems, Inc., a Delaware corporation, L-3 Communications Integrated Systems L.P., a Delaware limited partnership, L-3 Communications Investments Inc., a Delaware corporation, L-3 Communications Klein Associates, Inc., a Delaware corporation, L-3 Communications MAS (US) Corporation, a Delaware corporation, L-3 Communications Security and Detection Systems, Inc., a Delaware corporation, L-3 Communications Vector International Aviation LLC, a Delaware limited liability company, MPRI, Inc., a Delaware corporation, Pac Ord Inc., a Delaware corporation, Power Paragon, Inc., a Delaware corporation, Ship Analytics International, Inc., a Delaware corporation, SPD Electrical Systems, Inc., a Delaware corporation, SPD Switchgear Inc., a Delaware corporation, Wescam Air Ops Inc., a Delaware corporation, Wescam Air Ops LLC, a Delaware limited liability company, Wescam Holdings (US) Inc., a Delaware corporation, and Wescam LLC, a Delaware limited liability company (individually a "Delaware Guarantor" and collectively, the "Delaware Guarantors") and Apcom, Inc., a Maryland corporation, D.P. Associates, Inc., a Virginia corporation, Electrodynamics, Inc., an Arizona corporation, Interstate Electronics Corporation, a California corporation, L-3 Communications Advanced Laser Systems Technology, Inc., a Florida corporation, L-3 Communications Aeromet, Inc., an Oregon corporation, L-3 Communications Avisys Corporation, a Texas corporation, L-3 Communications

Cincinnati Electronics Corporation, an Ohio corporation, L-3 Communications CSI, Inc., a California corporation, L-3 Communications Government Services, Inc., a Virginia corporation, L-3 Communications Infraredvision Technology corporation, a California corporation, L-3 Communications Mobile-Vision, Inc., a New Jersey corporation, L-3 Communications Sonoma EO, Inc., a California corporation, L-3 Communications Westwood Corporation, a Nevada corporation, MCTI Acquisition Corporation, a Maryland corporation, Microdyne Communications Technologies Incorporated, a Maryland corporation, Microdyne Corporation, a Maryland corporation, Microdyne Outsourcing Incorporated, a Maryland corporation, Ship Analytics, Inc., a Connecticut corporation, Ship Analytics USA, Inc., a Connecticut corporation, SYColeman Corporation, a Florida corporation, Troll Technology Corporation, a California corporation, Wescam Incorporated, a Florida corporation and Wolf Coach, Inc., a Massachusetts corporation (individually a "Non-Delaware Guarantor," collectively the "Non-Delaware Guarantors" and, together with the Delaware Guarantors, the "Guarantors"). As used herein, the term "CODES" shall include the Guarantees thereof by the Guarantors, unless the context otherwise requires. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture.

The CODES will be offered and sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. Holders of the CODES (including the Initial Purchasers and their direct and indirect transferees) will be entitled to the benefits of a Resale Registration Rights Agreement, dated the First Delivery Date, between the Company, the Guarantors and the Initial Purchasers (the "Registration Rights Agreement"), pursuant to which the Company and the Guarantors will agree to file with the Securities and Exchange Commission (the "Commission") a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Registration

Statement") covering the resale of the CODES and the Conversion Shares, and to use commercially reasonable efforts to cause the Registration Statement to be declared effective.

This Agreement, the Indenture, the CODES, the Guarantees and the Registration Rights Agreement are referred to herein collectively as the "Operative Documents."

This is to confirm the agreement between the Company and the Initial Purchasers concerning the issue, offer and sale of the CODES.

1. Representations, Warranties and Agreements of the Company and the Guarantors. The Company and the Guarantors represent, warrant to and agree with the Initial Purchasers that:

(a) The Company and the Guarantors have prepared a preliminary offering memorandum dated July 25, 2005 (the "Preliminary Offering Memorandum") and an offering memorandum dated July 27, 2005 (the "Offering Memorandum") setting forth or incorporating by reference information concerning the Company, the CODES, the Guarantees, the Registration Rights Agreement and the Common Stock. Copies of the Offering Memorandum will be delivered by the Company to the Initial Purchasers pursuant to the terms of this Agreement. As used in this Agreement, "Offering Memorandum" means the Offering Memorandum as amended or supplemented. The Preliminary Offering Memorandum and the Offering Memorandum did not as of its date, and will not as of a Delivery Date (as defined in Section 2(b)), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, provided that no representation or warranty is made as to information contained in or omitted from the Preliminary Offering Memorandum or the Offering Memorandum in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Initial Purchaser through Lehman Brothers Inc. specifically for inclusion therein;

(b) Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 7 and their compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the CODES to the Initial Purchasers and the offer, resale and delivery of the CODES by the Initial Purchasers in the manner contemplated by this Agreement, the Indenture, the Registration Rights Agreement and the Offering Memorandum, to register the CODES or the Conversion Shares under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(c) The market-related and customer-related data and estimates included in the Offering Memorandum are based on or derived from sources which the Company believes to be reliable and accurate;

(d) The Company and each of its subsidiaries (as defined in Section 16) have been duly organized and are validly existing as corporations, limited partnerships or limited liability companies, as applicable, in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification except for such

qualification and good standing the failure of which, individually or in the aggregate, would not result in a material adverse effect on the condition (financial or other), business, prospects, properties, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect"), and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged;

(e) The Company has an authorized capitalization as set forth in the Offering Memorandum, and all of the issued and outstanding shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof contained in the Offering Memorandum; and 100% of the issued shares of capital stock or membership interests of each Guarantor of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and (except for directors' qualifying shares) are owned directly or indirectly by the Company or a subsidiary of the Company, free and clear of all liens, encumbrances, equities or claims, other than (A) liens, encumbrances, equities or claims described in the Offering Memorandum, (B) a pledge of such shares or membership interests to secure the Senior Credit Facility (as described in the Offering Memorandum) and (C) such other liens, encumbrances, equities or claims as are not, individually or in the aggregate, material to the Company and its subsidiaries, taken as a whole;

(f) The Conversion Shares which are authorized on the date hereof have been duly and validly authorized and reserved for issuance upon conversion of the CODES and are free of preemptive rights; and all Conversion Shares, when so issued and delivered upon such conversion in accordance with the terms of the Indenture, will be duly and validly authorized and issued, fully paid and non-assessable and free and clear of all liens, encumbrances, equities or claims;

(g) This Agreement has been duly authorized, executed and delivered by the Company and the Guarantors;

(h) The execution, delivery and performance of this Agreement, the Registration Rights Agreement and the Indenture by the Company and the Guarantors and the consummation of the transactions contemplated hereby and thereby, and the issuance and delivery of the CODES and the Conversion Shares will not conflict with, constitute or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the properties or assets of the Company or any of its subsidiaries is subject that is material to the financial condition or prospects of the Company and its subsidiaries, taken as a whole (collectively, the "Material Agreements"), except for breach of which, individually, or in the aggregate, would not result in a Material Adverse Effect, nor will such actions result in any violation of the provisions of the charter, by-laws or other organizational documents of the Company or any of its subsidiaries or any material law, statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets, provided that the provisions for indemnification and contribution hereunder and thereunder may be limited by equitable principles and public policy consideration; and except (i) with respect to the transactions contemplated by the Registration Rights Agreement as may be required under the

Securities Act, the Trust Indenture Act and the rules and regulations promulgated thereunder, or (ii) as required by state securities or "blue sky" laws, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and performance of the Operative Documents by the Company and the Guarantors, as applicable, and the consummation of the transactions

contemplated hereby and thereby. No qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act"), is required in connection with the sale of the CODES by the Initial Purchasers;

(i) The Company and the Guarantors have all requisite power and authority to execute and deliver this Agreement and perform their obligations hereunder; and this Agreement and the transactions contemplated hereby have been duly authorized, executed and delivered by the Company and the Guarantors;

(j) The Company has all requisite power and authority to execute and deliver the Indenture and perform its obligations thereunder; the Indenture has been duly and validly authorized by the Company and each of the Guarantors, and upon the effectiveness of the Registration Statement, will be qualified under the Trust Indenture Act; on the First Delivery Date (as defined below in Section 2(a)), the Indenture will have been duly executed by the proper officers of the Company and delivered by the Company and each of the Guarantors and, assuming that the Indenture is the valid and binding obligation of the Trustee, will constitute a legally valid and binding agreement of the Company and each of the Guarantors enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; and the Indenture will conform in all material respects to the description thereof contained in the Offering Memorandum;

(k) The Company has all requisite power and authority to execute and deliver the Registration Rights Agreement and perform its obligations thereunder; the Registration Rights Agreement and the transactions contemplated thereby have been duly authorized by the Company and each of the Guarantors; when the Registration Rights Agreement is duly executed by the proper officers of the Company and delivered by the Company and each of the Guarantors (assuming that the Registration Rights Agreement is the valid and binding obligation of the Initial Purchasers), it will be a valid and binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing, and except with respect to the rights of indemnification and contribution thereunder, where enforcement thereof may be limited by federal or state securities laws or the policies underlying such laws; and the Registration Rights Agreement will conform in all material respects to the description thereof contained in the Offering Memorandum;

(l) The Company has all requisite power and authority to execute, issue and deliver the CODES and perform its obligations thereunder; the CODES have been duly and validly authorized by the Company and when duly executed by the Company in accordance with the terms of the Indenture and, assuming due authentication of the CODES by the Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing; and the CODES, when issued and delivered, will conform in all material respects to the description thereof contained in the Offering Memorandum;

(m) The Guarantees have been duly and validly authorized by the Guarantors and when duly endorsed on the CODES in accordance with the terms of the Indenture and, assuming due authentication of the CODES by the Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will constitute valid and binding obligations of each of the Guarantors entitled to the benefits of the Indenture and enforceable against each of the Guarantors in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principals (whether considered in a proceeding in equity or at law) or an implied covenant of good faith and fair dealing;

(n) Except (1) as described in the Offering Memorandum (or in the documents incorporated therein by reference), (2) as described in the offering

memorandum, dated July 27, 2005, pursuant to which L-3 Communications Corporation is offering $1.0 billion of its Senior Subordinated Notes due 2015 and (3) as provided in the Registration Rights Agreement dated the First Delivery Date, there are no contracts, agreements or understandings between the Company and any person granting such person the right (other than rights which have been waived or satisfied or rights not exercisable in connection with the Offering Memorandum) to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in any securities being registered pursuant to any registration statement filed by the Company under the Securities Act;

(o) Except as described in the Offering Memorandum, the Company and the Guarantors have not sold or issued any Securities with terms that are substantially similar to the CODES and the Guarantees during the six-month period preceding the date of the Offering Memorandum, including any sales pursuant to Rule 144A (as defined below) under, or Regulations D of, the Securities Act other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants;

(p) Neither the Company nor any of its subsidiaries has incurred, since the date of the latest audited financial statements included or incorporated by reference in the Offering Memorandum, any liability or obligation, direct or contingent, or entered into any

transaction, in each case not in the ordinary course of business, that is material to the Company and its subsidiaries taken as a whole, otherwise than as set forth, incorporated by reference or contemplated in the Offering Memorandum; and, since such date, there has not been any material change in the capital stock or material increase in the short-term or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving or which would reasonably be expected to involve a Material Adverse Effect, otherwise than as described, incorporated by reference or contemplated in the Offering Memorandum;

(q) The historical and pro forma financial statements, together with the related CODES, set forth or incorporated by reference in the Offering Memorandum comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act, except with respect to certain information regarding the Guarantors and non-Guarantors. The historical consolidated financial statements of the Company fairly present the financial condition and results of operations and cash flows of the entities purported to be shown thereby, at the dates and for the periods indicated, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved; Such pro forma financial statements have been prepared on a basis consistent with such historical statements of the Company, except for the pro forma adjustments specified therein, and give effect to assumptions made on a reasonable basis and in good faith and present fairly the historical and proposed transactions contemplated by the Offering Memorandum and this Agreement. The other financial and statistical information and data included in the Offering Memorandum, historical and pro forma, have been derived from the financial records of the Company (or its predecessors) and, in all material respects, have been prepared on a basis consistent with such books and records of the Company (or its predecessor), except as disclosed therein.

(r) PricewaterhouseCoopers LLP, who have certified certain financial statements of the Company, whose report is incorporated by reference in the Offering Memorandum and who have delivered the initial letter referred to in Section 5(g) hereof, are independent public accountants as required by the Securities Act and the Exchange Act (as defined below) and the Rules and Regulations promulgated thereunder during the periods covered by the financial statements on which they reported incorporated in the Offering Memorandum;

(s) KPMG LLP, who have certified certain financial statements of The Titan Corporation, whose report is incorporated by reference in the Offering Memorandum and who have delivered the initial letter referred to in Section 5(g) hereof, are, to our knowledge, independent public accountants as required by the Securities Act and the Exchange Act (as defined below) and the Rules and Regulations promulgated thereunder during the periods covered by the financial statements on which they reported incorporated in the Offering Memorandum;

(t) The Company and each of its subsidiaries have good and marketable title to all property (real and personal) described in the Offering Memorandum as being owned by them, free and clear of all liens, claims, security interests or other encumbrances except such as are described in the Offering Memorandum or, to the extent that any such liens, claims, security

interests or other encumbrances would not have a Material Adverse Effect (individually or in the aggregate) and all the material property described in the Offering Memorandum as being held under lease by the Company and its subsidiaries is held by them under valid, subsisting and enforceable leases, with only such exceptions as would not have a Material Adverse Effect (individually or in the aggregate);

(u) The Company and each of its subsidiaries own or possess adequate rights to use all material patents, trademarks, service marks, trade names, copyrights, licenses, inventions, trade secrets and other rights, and all registrations or applications relating thereto, described in the Offering Memorandum as being owned by them or necessary for the conduct of their business, except as such would not have a Material Adverse Effect (individually or in the aggregate), and the Company is not aware of any pending or threatened claim to the contrary or any pending or threatened challenge by any other person to the rights of the Company and its subsidiaries with respect to the foregoing which, if determined adversely to the Company and its subsidiaries, would have a Material Adverse Effect (individually or in the aggregate);

(v) Except as described in the Offering Memorandum, there are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened, against the Company or any of its subsidiaries or to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, are reasonably likely to cause a Material Adverse Effect;

(w) No material relationship, direct or indirect, exists between or among the Company on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company on the other hand, except as described or incorporated by reference in the Offering Memorandum;

(x) The Company is not involved in any strike, job action or labor dispute with any group of employees that would have a Material Adverse Effect, and, to the Company's knowledge, no such action or dispute is threatened;

(y) Except as disclosed or incorporated by reference in the Offering Memorandum, the Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) subject to Title IV of ERISA for which the Company would have any material liability; the Company has not incurred and does not expect to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any such "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code") (other than contributions in the normal course which are not in default); and each such "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would reasonably be expected to cause the loss of such qualification;

(z) The Company and its subsidiaries have filed all federal, state and local income and franchise tax returns required to be filed through the date hereof and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company or any of its subsidiaries nor does the Company have any knowledge of any tax deficiency which, if determined adversely to the Company and its subsidiaries, might have a Material Adverse Effect;

(aa) Neither the Company nor any of its subsidiaries (i) is in violation of its charter or by-laws or other organizational documents, (ii) is in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any Material Agreement or (iii) is in violation in any material respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii) and (iii) as would not, individually or in

the aggregate, have a Material Adverse Effect;

(bb) To the best of the Company's knowledge, neither the Company nor any of its subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds or violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; except as such that would not have a Material Adverse Effect or as is disclosed in the Offering Memorandum or in the documents incorporated therein by reference;

(cc) There has been no storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes or hazardous substances by the Company or any of its subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company or its subsidiaries in violation of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit or which would require remedial action under any applicable law, ordinance, rule, regulation, order, judgment, decree or permit, except for any violation or remedial action which would not have, or would not be reasonably likely to have, singularly or in the aggregate with all such violations and remedial actions, a Material Adverse Effect; there has been no material spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any toxic wastes, medical wastes, solid wastes, hazardous wastes or hazardous substances due to or caused by the Company or any of its subsidiaries or with respect to which the Company has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have or would not be reasonably likely to have, singularly or in the aggregate with all such spills, discharges, leaks, emissions, injections, escapes, dumpings and releases, a Material Adverse Effect; and the terms "hazardous wastes," "toxic wastes," "hazardous substances" and "medical wastes" shall have the meanings specified in any applicable local, state, federal and foreign laws or regulations with respect to environmental protection;

(dd) Neither the Company nor any subsidiary is, and upon the sale of the CODES to be issued and sold in accordance herewith and the application of the net proceeds to the Company of such sale as described in the Offering Memorandum under the caption "Use of Proceeds," will not be, an "investment company" within the meaning of such term under the United States Investment Company Act of 1940 and the rules and regulations of the Commission thereunder;

(ee) When the CODES are issued and delivered pursuant to this Agreement, such CODES will not be of the same class (within the meaning of Rule 144A under the Securities Act) as securities of the Company that are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or that are quoted in a U.S. automated inter-dealer quotation system;

(ff) Neither the Company nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act ("Regulation D")) (other than the Initial Purchasers, about which no representations are made by the Company) has, directly or through an agent, engaged in any form of general solicitation or general advertising in connection with the offering of the CODES (as those terms are used in Regulation D) under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; the Company has not entered into any contractual arrangement with respect to the distribution of the CODES except for the Operative Documents and the Company will not enter into any such arrangement;

(gg) Neither the Company nor any of its affiliates (other than the Initial Purchasers, about which no representations are made by the Company), has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any "security" (as defined in the Securities Act) which is or will be integrated with the sale of the CODES in a manner that would require the registration under the Securities Act of the CODES;

(hh) The Company has not taken, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company in connection with the offering of the CODES;

(ii) There are no contracts or other documents which would be required

to be described in a prospectus contained in a registration statement on Form S-3 by the Securities Act or by the rules and regulations thereunder which have not been described in the Offering Memorandum or in the documents incorporated therein by reference;

(jj) Except as permitted by the Securities Act, the Company has not distributed and, prior to the later to occur of the First Delivery Date and completion of the distribution of the CODES, will not distribute any offering material in connection with the offering and sale of the CODES other than the Preliminary Offering Memorandum and the Offering Memorandum;

(kk) Assuming (i) that your representations and warranties in Section 7 are true, (ii) compliance by you with your covenants set forth in Section 7 and (iii) that each of the

Eligible Purchasers (as defined in Section 7) is a QIB, the purchase of the CODES by you pursuant hereto and the initial resale of the CODES pursuant hereto is exempt from the registration requirements of the Securities Act;

(ll) The Company is a "reporting issuer" as defined in Rule 902 under the Securities Act;

(mm) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-14 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; (ii) have been evaluated for effectiveness as of the end of the period covered by the Company's most recent annual or quarterly report filed with the Commission; and (iii) are effective in all material respects to perform the functions for which they were established;

(nn) Based on the evaluation of its disclosure controls and procedures, the Company is not aware of (i) any significant deficiency in the design or operation of internal controls over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in internal controls or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting;

(oo) Since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses; and

(pp) Except for the documents currently on file with the Securities and Exchange Commission as "material contracts" within the meaning of Item 601 of Regulation S-K under the Securities Act of 1933, as amended, there are no agreements of the Company that would be required to be filed as "material contracts" pursuant to such Item 601.

2. Purchase, Sale and Delivery of the CODES.

(a) The Company and the Guarantors hereby agree, on the basis of the representations, warranties and agreements of the Initial Purchasers contained herein and subject to all the terms and conditions set forth herein, to issue and sell to the Initial Purchasers and, upon the basis of the representations, warranties and agreements of the Company and the Guarantors herein contained and subject to all the terms and conditions set forth herein, each Initial Purchaser agrees, severally and not jointly, to purchase from the Company, at a purchase price of 97.5% of the principal amount thereof, the principal amount of CODES set forth opposite such Initial Purchaser's name in Schedule I hereto. The Company and the Guarantors shall not be obligated to deliver any of the securities to be delivered hereunder except upon payment for all of the securities to be purchased as provided herein.

Delivery of and payment for the Firm CODES shall be made at the office of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, at 10:00 a.m. (New York time) on July 29, 2005, or such later date as the Initial Purchasers shall designate, which date and time may be postponed by

agreement between the Initial Purchasers and the Company or as provided in Section 9 (such date and time of delivery and payment for the Firm CODES being herein called the "First Delivery Date"). Delivery of the Firm CODES shall be made to the Initial Purchasers against payment of the purchase price by the Initial Purchasers. Payment for the Firm CODES shall be effected either by wire transfer of immediately available funds to an account with a bank in The City of New York, the account number and the ABA number for such bank to be provided by the Company to the Initial Purchasers at least two business days in advance of the First Delivery Date, or by such other manner of payment as may be agreed by the Company and the Initial Purchasers.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company hereby grants the Option to the Initial Purchasers to purchase, severally and not jointly, the Optional CODES at the same price as the Initial Purchasers shall pay for the Firm CODES and the principal amount of the Optional CODES to be sold to each Initial Purchaser shall be that principal amount which bears the same ratio to the aggregate principal amount of Optional CODES being purchased as the principal amount of Firm CODES set forth opposite the name of such Initial Purchaser in Schedule I hereto (or such number as increased as set forth in Section 8). The Option may be exercised once in whole or in part at any time not more than 13 days subsequent to the date of this Agreement upon notice in writing or by facsimile by the Initial Purchasers to the Company setting forth the amount (which shall be an integral multiple of $1,000) of Optional CODES as to which the Initial Purchasers are exercising the Option. The purchase of the Optional CODES must close on or before August 11, 2005.

The date for the delivery of and payment for the Optional CODES, being herein referred to as an "Optional Delivery Date," which may be the First Delivery Date (the First Delivery Date and the Optional Delivery Date, if any, being sometimes referred to as a "Delivery Date"), shall be determined by the Initial Purchasers but shall not be later than thirteen days subsequent to the First Delivery Date. Delivery of the Optional CODES shall be made to the Initial Purchasers against payment of the purchase price by the Initial Purchasers. Payment for the Optional CODES shall be effected either by wire transfer of immediately available funds to an account with a bank in the City of New York, the account number and the ABA number for such bank to be provided by the Company to the Initial Purchasers at least two business days in advance of the Optional Delivery Date, or by such other manner of payment as may be agreed by the Company and the Initial Purchasers.

(c) The Company will deliver against payment of the purchase price the CODES initially sold to qualified institutional buyers ("QIBs"), as defined in Rule 144A under the Securities Act ("Rule 144A") in the form of one or more permanent global certificates (the "Global CODES"), registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Beneficial interests in the CODES initially sold to QIBs will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC and its participants.

The Global CODES will be made available, at the request of the Initial Purchasers, for inspection at least 24 hours prior to such Delivery Date. The Certificated CODES will be made available, at the request of the Initial Purchasers, for checking at least 48 hours prior to such Delivery Date.

(d) Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of the Initial Purchasers hereunder.

3. Further Agreements of the Company. The Company agrees with the Initial Purchasers as follows:

(a) To advise the Initial Purchasers promptly of any proposal to amend or supplement the Offering Memorandum and not to effect any such amendment or supplement without the consent of the Initial Purchasers. If, at any time prior to completion of the resale of the CODES by the Initial Purchasers, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Offering Memorandum in order that the Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a purchaser, not misleading, to promptly notify the Initial Purchaser and prepare, subject to the first sentence of this Section 3(a), such amendment or supplement as may be necessary to correct such untrue statement or omission;

(b) To furnish to the Initial Purchasers and to Latham & Watkins, counsel to the Initial Purchasers, copies of the Offering Memorandum and the Offering Memorandum (and all amendments and supplements thereto) in each case as

soon as available and in such quantities as the Initial Purchasers reasonably request for internal use and for distribution to prospective purchasers. The Company will pay the expenses of printing and distributing to the Initial Purchasers all such documents;

(c) To use its reasonable efforts to take such action as the Initial Purchasers may reasonably request from time to time, to qualify the CODES for offering and sale under the securities laws of such jurisdictions as the Initial Purchasers may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions in the United States for as long as may be necessary to complete the resale of the CODES; provided, however, that in connection therewith, the Company shall not be required to qualify as a foreign corporation or otherwise subject itself to taxation in any jurisdiction in which it is not otherwise so qualified or subject;

(d) To apply the proceeds from the sale of the CODES as set forth under "Use of Proceeds" in the Offering Memorandum;

(e) For a period of 90 days from the date of the Offering Memorandum (the "Lock-Up Period"), not to directly or indirectly, (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock, or any securities convertible into or exercisable or

exchangeable for Common Stock, (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, (3) cause to be filed a registration statement with respect to the registration of any shares of Common Stock or securities convertible, exercisable or exchangeable into Common Stock or any other securities of the Company or (4) publicly disclose the intention to do any of the foregoing.

Notwithstanding the foregoing, the Company shall be permitted to (1) cause to be filed one or more registration statements with respect to any registration rights agreements to which the Company is a party outstanding on the date hereof, (2) make the filing contemplated by the Registration Rights Agreement, (3) issue shares of Common Stock upon the exercise of options or warrants outstanding on the date hereof under the Company's employee benefit plans, qualified stock option plans or other employee compensation plans, (4) issue shares upon the conversion or exchange of convertible or exchangeable securities, including the Conversion Shares, (5) grant options, warrants or other equity awards under the Company's stock option or other employee compensation plans existing on the date hereof and (6) issue securities in exchange for the assets of, or a majority or controlling portion of the equity of, another entity in connection with the acquisition by the Company of such entity.

(f) For so long as any of the CODES are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, to provide to any holder of the CODES or to any prospective purchaser of the CODES designated by any holder, upon request of such holder or prospective purchaser, information required to be provided by Rule 144A(d)(4) of the Securities Act if, at the time of such request, the Company is not subject to the reporting requirements under Section 13 or 15(d) of the Exchange Act;

(g) Each of the CODES will bear, to the extent applicable, the legend contained in "Notice to Investors" in the Offering Memorandum for the time period and upon the other terms stated therein, except after the CODES are resold pursuant to a registration statement effective under the Securities Act;

(h) To take such steps as shall be necessary to ensure that neither the Company nor any subsidiary shall become an "investment company" within the meaning of such term under the United States Investment Company Act of 1940, and the rules and regulations of the Commission thereunder;

(i) To execute and deliver the Registration Rights Agreement (in form and substance satisfactory to the Initial Purchasers);

(j) To use its best efforts to assist the Initial Purchasers in arranging to cause the CODES to be accepted to trade in the PORTAL market ("PORTAL") of the National Association of Securities Dealers, Inc. ("NASD");

(k) To use its best efforts to cause the CODES to be accepted for clearance and settlement through the facilities of DTC; and

(l) To use its best efforts to have the Conversion Shares approved by the New York Stock Exchange ("NYSE") for inclusion prior to the effectiveness of the Registration Statement.

4. Expenses. The Company agrees to pay:

(a) the costs incident to the authorization, issuance, sale and delivery of the CODES, and any taxes payable in that connection;

(b) the costs incident to the preparation, printing and distribution of the Offering Memorandum and any amendment or supplement to the Offering Memorandum, as provided in this Agreement;

(c) the costs of delivering and distributing the Operative Documents;

(d) the fees and expenses of Simpson Thacher & Bartlett LLP and PricewaterhouseCoopers, LLP;

(e) the costs of distributing the terms of agreement relating to the organization of the underwriting syndicate and selling group to the members thereof by mail, telex or other means of communication;

(f) the fees and expenses of qualifying the CODES under the securities laws of the several jurisdictions as provided in Section 3(c) and of preparing, printing and distributing a Blue Sky Memorandum (including reasonable related fees and expenses of counsel to the Initial Purchasers);

(g) all other costs and expenses incident to (i) the preparation of the Company's "net road show" presentation materials and (ii) the road show travelling expenses of the Company, if any;

(h) all fees and expenses incurred in connection with any rating of the CODES;

(i) the costs of preparing the CODES;

(j) all expenses and fees in connection with the application for inclusion of the CODES in the PORTAL market and the inclusion of the Conversion Shares on the NYSE; and

(k) all other costs and expenses incident to the performance of the obligations of the Company and the Guarantors under this Agreement;

provided that, except as provided in this Section 4 and in Section 8, the Initial Purchasers shall pay their own costs and expenses, including the costs and expenses of their counsel and any transfer taxes on the CODES which they may sell.

5. Conditions of the Initial Purchasers' Obligations. The several obligations of the Initial Purchasers hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties of the Company and the Guarantors contained herein, to the performance by the Company and the Guarantors of its obligations hereunder, and to each of the following additional terms and conditions:

(a) No Initial Purchaser shall have discovered and disclosed to the Company prior to or on such Delivery Date that the Offering Memorandum or any amendment or supplement thereto contains any untrue statement of a fact which, in the opinion of Latham & Watkins LLP, is material or omits to state any fact which is material and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(b) All corporate proceedings and other legal matters incident to the authorization, form and validity of the Operative Documents and the Offering Memorandum or any amendment or supplement thereto, and all other legal matters relating to the Operative Documents and the transactions contemplated thereby shall be satisfactory in all material respects to counsel to the Initial Purchasers, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters;

(c) Simpson Thacher & Bartlett LLP shall have furnished to the Initial

Purchasers its written opinion, as counsel to the Company, addressed to the Initial Purchasers and dated such Delivery Date, substantially in the form attached hereto as Exhibit A-1, and its negative assurance letter substantially in the form attached hereto as Exhibit A-2.

(d) Christopher C. Cambria, General Counsel of the Company, shall have furnished to the Initial Purchasers his written opinion, as General Counsel to the Company, addressed to the Initial Purchasers and dated such Delivery Date in the form attached hereto as Exhibit B.

(e) The Initial Purchasers shall have received from Latham & Watkins LLP, counsel for the Initial Purchasers, such opinion or opinions, dated the Delivery Date, with respect to the issuance and sale of the CODES and Guarantees, the Offering Memorandum and other related matters as the Initial Purchasers may reasonably request, and the Company shall have furnished to such counsel such documents as they reasonably require for the purpose of enabling them to pass upon such matters;

(f) At the time of the First Delivery Date, the Initial Purchasers shall have received from each of PricewaterhouseCoopers, LLP and KPMG LLP a letter, in form and substance satisfactory to the Initial Purchasers, addressed to the Initial Purchasers and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and under Rule 101 of AICPA's Code of Professional Conduct and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than

five days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings;

(g) With respect to the letters of PricewaterhouseCoopers, LLP and KPMG LLP referred to in the preceding paragraph and delivered to the Initial Purchasers (the "initial letter"), on any subsequent Optional Delivery Date, the Company shall have furnished to the Initial Purchasers a letter (the "bring-down letter") of such accountants, in form and substance satisfactory to the Initial Purchasers and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and Code of Professional Conduct are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter;

(h) The Company and the Guarantors shall have furnished to the Initial Purchasers a certificate, dated such Delivery Date and delivered on behalf of the Company or the Guarantors as the case may be, of their respective Chairman of the Board, their respective President or a Vice President and their respective chief financial officer, in form and substance satisfactory to the Initial Purchasers stating that:

(i) The representations, warranties and agreements of the Company and the Guarantors in Section 1 are true and correct as of the date given and as of such Delivery Date; and the Company and the Guarantors have complied with all their agreements contained herein to be performed prior to or on such Delivery Date; and

(ii) They have carefully examined the Offering Memorandum and, in their opinion (A) the Offering Memorandum as of its date and as of the Closing Date did not include any untrue statement of a material fact and did not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (B) since the date of the Offering Memorandum, no event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum.

(i) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization," as

that term is defined by the Commission for purposes of Rule 436(g)(2) of the Rules and Regulations and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(j) The Indenture shall have been duly executed and delivered by the Company and the Trustee and the CODES shall have been duly executed and delivered by the Company and duly authenticated by the Trustee;

(k) The Company, the Guarantors and the Initial Purchasers shall have executed and delivered the Registration Rights Agreement (in form and substance satisfactory to the Initial Purchasers) and the Registration Rights Agreement shall be in full force and effect;

(l) The NASD shall have accepted the CODES for trading on PORTAL;

(m)(i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Offering Memorandum any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, except (A) as set forth or incorporated by reference or contemplated in the Offering Memorandum and (B) for operating losses incurred in the ordinary course of business, or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company and its subsidiaries (except for issuances of shares of Common Stock upon exercise of outstanding options described or incorporated by reference in the Offering Memorandum or pursuant to Authorized Grants), or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, except as set forth or incorporated by reference or contemplated in the Offering Memorandum, the effect of which, in any such case described in clause (i) or (ii), is, in the reasonable judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or the delivery of the CODES and the Guarantees being delivered on such Delivery Date on the terms and in the manner contemplated in the Offering Memorandum;

(n) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following:

(i) trading in securities generally on the NYSE, the American Stock Exchange, the NASDAQ National Market or the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction;

(ii) a banking moratorium shall have been declared by Federal or state authorities of the United States or there shall have occurred any other calamity or crisis (including, without limitation, as a result of terrorist activities);

(iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States

or there shall have occurred any other calamity or crisis (including, without limitation, as a result of terrorist activities); or

(iv) there shall have occurred such a material adverse change in general domestic or international economic, political or financial conditions, including without limitation as a result of terrorist activities after the date hereof, or the effect of international conditions on the financial markets in the United States shall be such, as to make it in the case of (iii) or (iv), in the sole judgment of a majority in interest of the Representatives, impracticable or inadvisable to proceed with the offering or delivery of the CODES being delivered on such Delivery Date on the terms and in the manner

contemplated in the Offering Memorandum.

(o) On or prior to the First Delivery Date, The Depositary Trust Company shall have accepted the CODES for clearance.

(p) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance satisfactory to counsel to the Initial Purchasers.

6. No fiduciary duty. The Company acknowledges and agrees that in connection with this offering and sale of the CODES or any other services the Initial Purchasers may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Initial Purchasers: (i) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Initial Purchasers, on the other, exists; (ii) the Initial Purchasers are not acting as advisors, expert or otherwise, to the Company and such relationship between the Company, on the one hand, and the Initial Purchasers, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that the Initial Purchasers may have to the Company shall be limited to those duties and obligations specifically stated herein; and (iv) the Initial Purchasers and their respective affiliates may have interests that differ from those of the Company. The Company hereby waives any claims that the Company may have against the Initial Purchasers with respect to any breach of fiduciary duty in connection with the Offering.

7. Representations, Warranties and Agreements of the Initial Purchasers. Each Initial Purchaser represents and warrants that it is a QIB and is not acquiring the CODES with a view to any distribution thereof or with any present intention of offering or selling any of the CODES in a transaction that would violate the Securities Act or the securities laws of any State

of the United States or any applicable jurisdiction. In connection with the sale of the CODES by the Initial Purchaser, each Initial Purchaser will solicit offers to buy the CODES only from, and will offer to sell the CODES only to, the "Eligible Purchasers" (defined as persons whom the Initial Purchaser reasonably believes are "qualified institutional buyers" as defined in Rule 144A under the Securities Act) in accordance with this Agreement and on the terms contemplated by the Offering Memorandum. Each Initial Purchaser, severely and not jointly, agrees with the Company that:

(a) The CODES and the Conversion Shares have not been and will not be registered under the Securities Act in connection with the initial offering of the CODES.

(b) Such Initial Purchaser is purchasing the CODES pursuant to a private sale exemption from registration under the Securities Act.

(c) The CODES have not been and will not be offered or sold by such Initial Purchaser or its affiliates acting on its behalf within the United States or to, or for the account or benefit of United States persons, except in accordance with Rule 144A.

(d) Such Initial Purchaser will not offer or sell the CODES in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D, including (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising in the United States.

(e) The CODES have not been and will not be registered under the Securities Act and may not be offered or sold except in accordance with an exemption from the registration requirements of the Securities Act. Such Initial Purchaser represents that it has been offered, sold or delivered the CODES, and will not offer, sell or deliver the CODES as a part of its distribution at any time except in accordance with Rule 144A under the Securities Act.

(f) Such Initial Purchaser further agrees that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the CODES, except with its affiliates or with the prior written consent of the Company.

(g) Such Initial Purchaser further represents and agrees that (i) it has not offered or sold and will not offer or sell any CODES to persons in the United Kingdom prior to the expiration of the period of six months from the issue date of the CODES, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their businesses or otherwise in circumstances have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it and each of its affiliates have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of any CODES in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (iii) it and each of its

affiliates have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the CODES in, from or otherwise involving the United Kingdom.

(h) Such Initial Purchaser agrees not to cause any advertisement of the CODES to be published in any newspaper or periodical or posted in any public place and not to issue any circular relating to the CODES.

(i) Such Initial Purchaser understands that the Company and, for purposes of the opinions to be delivered to you pursuant to Section 5 hereof, counsel to the Company, General Counsel to the Company and counsel to the Initial Purchasers, will rely upon the accuracy and truth of the foregoing representations and such Initial Purchaser hereby consents to such reliance.

Each Initial Purchaser further agrees that, in connection with the sale of the CODES by such Initial Purchaser, it will solicit offers to buy the CODES only from, and will offer to sell the CODES only to Eligible Purchasers.

8. Indemnification and Contribution.

(a) The Company and the Guarantors shall jointly and severally indemnify and hold harmless each Initial Purchaser, its officers and employees and each person, if any, who controls any Initial Purchaser within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of CODES and Guarantees), to which that Initial Purchaser, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained (A) in the Preliminary Offering Memorandum, the Offering Memorandum or in any amendment or supplement thereto or (B) in any blue sky application or other document prepared or executed by the Company (or based upon any written information furnished by the Company) specifically for the purpose of qualifying any or all of the Series A Notes under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "Blue Sky Application"), (ii) the omission or alleged omission to state in the Preliminary Offering Memorandum, the Offering Memorandum, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any act or failure to act or any alleged act or failure to act by any Initial Purchaser in connection with, or relating in any manner to, the CODES or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (provided that the Company and the Guarantors shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Initial Purchaser through its gross negligence or willful misconduct), and shall reimburse each Initial Purchaser and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred

by that Initial Purchaser, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company and the Guarantors shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made or incorporated by reference in the Preliminary Offering Memorandum, Offering Memorandum, or in any such amendment or supplement, or in any Blue Sky Application, in reliance upon and in conformity with written information concerning such Initial Purchaser furnished to the Company by or on behalf of any Initial Purchaser specifically for inclusion therein; and provided further, that the foregoing indemnity agreement with respect to any Preliminary Offering Memorandum shall not inure to the benefit of any Initial Purchasers who it shall be established failed to deliver the Offering Memorandum to the person asserting any losses, claims, damages, liabilities and judgments caused by any untrue statement or alleged untrue statement of a material fact or an omission or alleged omission to state a material fact required to be stated in such Preliminary Offering Memorandum or necessary to make the statements in such Preliminary Offering Memorandum not misleading, if (A) the Company shall have furnished copies of the Offering Memorandum to the several Initial Purchasers in the requisite quantity and sufficiently on a timely basis to permit proper delivery of the Offering Memorandum to such person; (B) such misstatement or omission or alleged misstatement or omission was cured in the Offering Memorandum and the Offering Memorandum was required by law to be delivered to such person at or prior to the written confirmation of the sale of the CODES to such person and (C) the timely delivery of the Offering Memorandum to such person would have constituted a valid defense to the losses, claims, damages, liabilities and judgments asserted by such person. The foregoing indemnity agreement is in addition to any liability which the Company or the Guarantors may otherwise have to any Initial Purchaser or to any officer, employee or controlling person of that Initial Purchaser.

(b) Each Initial Purchaser, severally and not jointly, shall indemnify and hold harmless the Company, the Guarantors, their officers and employees, each of their directors and each person, if any, who controls the Company and the Guarantors within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company, the Guarantors or any such director, officer or controlling person, may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference (A) in the Preliminary Offering Memorandum, the Offering Memorandum or in any amendment or supplement thereto, or (B) in any Blue Sky Application or (ii) the omission or alleged omission to state in, or incorporated by reference in, the Preliminary Offering Memorandum, the Offering Memorandum, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Initial Purchaser furnished to the Company by or on behalf of that Initial Purchaser specifically for inclusion therein, and shall reimburse the Company, the Guarantors and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company, such Guarantor or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such

loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Initial Purchaser may otherwise have to the Company, the Guarantors or any such director, officer, employee, or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure and, provided further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with

any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of the indemnified party unless (i) the employment thereof has been specifically authorized by the indemnifying party in writing, (ii) such indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party and in the reasonable judgment of such counsel, it is advisable for such indemnified party to employ separate counsel or (iii) the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to one local counsel) at any time for all such indemnified parties, which firm shall be designated in writing by Lehman Brothers Inc., if the indemnified parties under this Section 8 consist of any Initial Purchaser or any of their respective officers, employees or controlling persons, or by the Company, if the indemnified parties under this Section 8 consist of the Company, the Guarantors or any of the Company's or the Guarantors' directors, officers, employees or controlling persons. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim,

action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other from the offering of the CODES and Guarantees or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors, on the one hand and the Initial Purchasers on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors, on the one hand and the Initial Purchasers on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the CODES purchased under this Agreement (before deducting expenses) received by the Company and the Guarantors, on the one hand, and the total underwriting discounts and commissions received by the Initial Purchasers with respect to the shares of the CODES and Guarantees purchased under this Agreement, on the other hand, bear to the total gross proceeds from the offering of the CODES under this Agreement, in each case as set forth in the table on the cover page of the Offering Memorandum. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, and the Guarantors or the Initial Purchasers, the intent of the parties and their relative knowledge, access to

information and opportunity to correct or prevent such statement or omission. The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contributions pursuant to this Section 8 were to be determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8 shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the CODES purchased by it exceeds the amount of any damages which such Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The

Initial Purchasers' obligations to contribute as provided in this Section 8(d) are several in proportion to their respective underwriting obligations and not joint.

(e) The Initial Purchasers severally confirm and the Company and the Guarantors acknowledge that the statements with respect to the offering of the CODES by the Initial Purchasers and the third, fifth, sixth, seventh, first sentence of the eighth, ninth, second sentence of the tenth and fifteenth paragraphs under the caption "Plan of Distribution" in the Offering Memorandum are correct and constitute the only information concerning the Initial Purchasers furnished in writing to the Company by or on behalf of the Initial Purchasers specifically for inclusion in the Offering Memorandum.

9. Defaulting Initial Purchasers.

If, on the First Delivery Date or Optional Delivery Date, as the case may be, any Initial Purchaser defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Initial Purchasers shall be obligated to purchase the aggregate principal amount of the Firm CODES or Optional CODES, as the case may be, which the defaulting Initial Purchaser agreed but failed to purchase on the First Delivery Date or Optional Delivery Date, as the case may be, in the respective proportions which the total aggregate principal amount of the Firm CODES or Optional CODES, as the case may be, set opposite the name of each remaining non-defaulting Initial Purchaser in Schedule 1 hereto bears to the total aggregate principal amount of Notes set opposite the names of all the remaining non-defaulting Initial Purchasers in Schedule 1 hereto; provided, however, that the remaining non-defaulting Initial Purchasers shall not be obligated to purchase any Firm CODES or Optional CODES, as the case may be, on the First Delivery Date or Optional Delivery Date, as the case may be, if the total aggregate principal amount of the Firm CODES or Optional CODES, as the case may be, which the defaulting Initial Purchasers agreed but failed to purchase on such date exceeds 9.09% of the total aggregate principal amount at maturity of the Firm CODES or Optional CODES, as the case may be, to be purchased on the First Delivery Date or Optional Delivery Date, as the case may be, and any remaining non-defaulting Initial Purchaser shall not be obligated to purchase more than 110% of the aggregate principal amount at maturity of the Firm CODES or Optional CODES, as the case may be, which it agreed to purchase on the First Delivery Date or Optional Delivery Date, as the case may be, pursuant to the terms of Section 2. If the foregoing maximums are exceeded, the remaining non-defaulting Initial Purchasers, or those other underwriters satisfactory to the Initial Purchasers who so agree, shall have the right, but shall not be obligated, to purchase on the First Delivery Date or Optional Delivery Date, as the case may be, in such proportion as may be agreed upon among them, the total aggregate principal amount of the Firm CODES or Optional CODES, as the case may be, to be purchased on the First Delivery Date or Optional Delivery Date, as the case may be. If the remaining Initial Purchasers or other underwriters satisfactory to the Initial Purchasers do not elect to purchase on the First Delivery Date or Optional Delivery Date, as the case may be, the aggregate principal amount of the Firm CODES or Optional CODES, as the case may be, which the defaulting Initial Purchasers agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchasers and the Issuer, except that the Issuer will continue to be liable for the payment of expenses to the extent set forth in Section 11. As used in this Agreement, the term "Initial Purchaser" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedule 1 hereto who, pursuant to this

Section 9, purchases the Firm CODES or Optional CODES, as the case may be, which a defaulting Initial Purchaser agreed but failed to purchase.

Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Company for damages caused by its default. If other purchasers are obligated or agree to purchase the CODES of a defaulting or withdrawing Initial Purchaser, either the remaining non-defaulting Initial Purchasers or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes in the Offering Memorandum or in any other document or arrangement that, in the opinion of counsel to the Company or counsel to the Initial Purchasers, may be necessary.

10. Termination. The obligations of the Initial Purchasers hereunder may be terminated by the Initial Purchasers by notice given to and received by the Company prior to delivery of and payment for the CODES if, prior to that time, any of the events described in Sections 5(m), (n) and (p) shall have occurred or if the Initial Purchasers shall decline to purchase the CODES for any reason permitted under this Agreement.

11. Reimbursement of Initial Purchasers' Expenses. If the Company and the Guarantors shall fail to tender the CODES and the Guarantees for delivery to the Initial Purchasers by reason of any failure, refusal or inability on the part of the Company and the Guarantors to perform any agreement on its part to be performed, or because any other condition of the Initial Purchasers' obligations hereunder required to be fulfilled by the Company and the Guarantors is not fulfilled, the Company and the Guarantors will reimburse the Initial Purchasers for all reasonable out-of-pocket expenses (including fees and disbursements of counsel) incurred by the Initial Purchasers in connection with this Agreement and the proposed purchase of the CODES and the Guarantees, and upon demand the Company and the Guarantors shall pay the full amount thereof to Lehman Brothers Inc. on behalf of the several Initial Purchasers.

12. Notices, etc. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchasers, shall be delivered or sent by mail, telex or facsimile transmission to (i) Lehman Brothers Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: 212-497-4815) and (ii) Credit Suisse First Boston LLC, Eleven Madison Avenue, New York, New York 10010-3629, Attention: Transactions Advisory Group (Fax: 212-325-4296) and (iii) Banc of America Securities LLC, 9 West 57th Street, New York, New York 10019, Attention: Joseph Giacobbe (Fax: 212-583-8273) and (iv) Bear, Stearns & Co. Inc, 383 Madison Avenue, New York, New York 10179, Attention: H. Charles Diao, with a copy to Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022, Attention: Kirk A. Davenport (Fax: 212-751-4864) and, in the case of any notice pursuant to Section 8(c), to the Director of Litigation, Office of the General Counsel (Fax: 212-520-0421), Lehman Brothers Inc., 399 Park Avenue, 10th Floor (Fax: 212-520-0421), New York, NY 10019; and

(b) if to the Company and the Guarantors, shall be delivered or sent by mail, telex or facsimile transmission to L-3 Communications Holdings, Inc., 600 Third Avenue, 34th Floor, New York, New York 10016, Attention: Christopher C. Cambria (Fax: 212-805-5494),

with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention: Vincent Pagano, Jr. (Fax: (212) 455-2502).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Initial Purchasers by Lehman Brothers Inc.

13. Research Independence. In addition, the Company and the Guarantors acknowledge that the Initial Purchasers' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Initial Purchasers' research analysts may hold and make statements or investment recommendations and/or publish research reports with respect to the Company and the Guarantors and/or the offering that differ from the views of its investment bankers. The Company and the Guarantors hereby waive and release, to the fullest extent permitted by law, any claims that the Company or the Guarantors may have against the Initial Purchasers with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or

inconsistent with the views or advice communicated to the Company or the Guarantors by such Initial Purchasers' investment banking divisions. The Company and the Guarantors acknowledge that each of the Initial Purchasers is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies which may be the subject of the transactions contemplated by this Agreement.

14. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Company, the Guarantors and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (A) the representations, warranties, indemnities and agreements of the Company and the Guarantors contained in this Agreement shall also be deemed to be for the benefit of the officers and employees of each Initial Purchaser and the person or persons, if any, who control any Initial Purchaser within the meaning of Section 15 of the Securities Act and (B) any indemnity agreement of the Initial Purchasers contained in Section 7(b) of this Agreement shall be deemed to be for the benefit of directors and officers of the Company and any person controlling the Company and the Guarantors within the meaning of Section 15 of the Securities Act. Nothing contained in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 14, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

15. Survival. The respective indemnities, representations, warranties and agreements of the Company, the Guarantors and the Initial Purchasers contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the CODES and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any of them or any person controlling any of them.

16. Definition of the Terms "Business Day" and "Subsidiary." For purposes of this Agreement, (a) "business day" means each Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close and (b) "subsidiary" has the meaning set forth in Rule 405 of the Securities Act Rules and Regulations.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

18. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

19. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

[Signature pages follow]

If the foregoing correctly sets forth the agreement among the Company, the Guarantors and the Initial Purchasers, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

L-3 COMMUNICATIONS HOLDINGS, INC.,
as the Company

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President,
Secretary and General Counsel

APCOM, INC.
BROADCAST SPORTS INC.

D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRARED VISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INVESTMENTS INC.

L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.,
as Guarantors

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., as a Guarantor

By: L-3 COMMUNICATIONS AIS GP CORPORATION,
as general partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Director

CODES Purchase Agreement

Accepted:

LEHMAN BROTHERS INC.

BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
BANC OF AMERICA SECURITIES LLC
For themselves and as Representatives
of the several Initial Purchasers named
in Schedule 1 hereto

By: LEHMAN BROTHERS INC.

By: /s/ Steve Mehos

Authorized Representative

EXHIBIT 10.73
EXECUTION VERSION

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A/B EXCHANGE
REGISTRATION RIGHTS AGREEMENT

Dated as of July 29, 2005

by and among

L-3 COMMUNICATIONS CORPORATION,

THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO

AND

LEHMAN BROTHERS INC.
BANC OF AMERICA SECURITIES LLC
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
MORGAN STANLEY & CO. INCORPORATED
SCOTIA CAPITAL (USA) INC.
SG AMERICAS SECURITIES, LLC
WACHOVIA CAPITAL MARKETS, INC.
BARCLAYS CAPITAL INC.
BNY CAPITAL MARKETS, INC.
CALYON SECURITIES (USA) INC.
STEPHENS INC.

As the Initial Purchasers

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A/B EXCHANGE REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of July 29, 2005 by and among L-3 Communications Corporation, a Delaware corporation (the "Company") the guarantors listed on the signature pages hereto (collectively, the "Existing Guarantors"), and Lehman Brothers Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC, Morgan Stanley & Co. Incorporated, Scotia Capital (USA) Inc., SG Americas Securities, LLC, Wachovia Capital Markets, Inc., Barclays Capital Inc., BNY Capital Markets, Inc., Calyon Securities (USA) Inc. and Stephens Inc. (the "Initial Purchasers") named in Schedule 1 to the Purchase Agreement (as defined below), each of whom has agreed to purchase the Company's 6 3/8% Senior Subordinated Notes due 2015 (the "Series A Notes") pursuant to the Purchase Agreement (as defined below).

This Agreement is made pursuant to the Purchase Agreement, dated as of July 27, 2005 (the "Purchase Agreement"), by and among the Company, the Existing Guarantors and the Initial Purchasers. In order to induce the Initial Purchasers to purchase the Series A Notes, the Company and the Existing Guarantors have agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 3 of the Purchase Agreement.

The parties hereby agree as follows:

SECTION 1 DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

Act: The Securities Act of 1933, as amended.

Additional Guarantor: Any subsidiary of the Company that executes a Subsidiary Guarantee under the Indenture after the date of this Agreement.

Broker-Dealer: Any broker or dealer registered under the Exchange Act.

Closing Date: The date of this Agreement.

Commission: The Securities and Exchange Commission.

Consummate: A Registered Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (i) the filing and effectiveness under the Act of the Exchange Offer Registration Statement

relating to the Series B Notes to be issued in the Exchange Offer, (ii) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof and (iii) the delivery by the Company to the Registrar under the Indenture of Series B Notes in the same aggregate principal amount as the aggregate principal amount of Series A Notes that were tendered by Holders thereof pursuant to the Exchange Offer.

Damages Payment Date: With respect to the Series A Notes, each Interest Payment Date.

Effectiveness Target Date: As defined in Section 5.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Exchange Offer: The registration by the Company under the Act of the Series B Notes (including the Subsidiary Guarantees) pursuant to a Registration Statement pursuant to which the Company offers the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Transfer Restricted Securities held by such Holders for Series B Notes and registered Subsidiary Guarantees in an aggregate principal amount equal to the aggregate principal amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders.

Exchange Offer Registration Statement: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

Exempt Resales: The transactions in which the Initial Purchasers propose to sell the Series A Notes to (i) certain "qualified institutional buyers," as such term is defined in Rule 144A under the Act, (ii) to certain institutional "accredited investors," as such term is defined in Rule 501(a)(1), (2), (3) and (7) under the Act ("Accredited Institutions") and (iii) outside the United States to Persons other than U.S. Persons in offshore transactions meeting the requirements of rule 904 of Regulation S under the Act.

Guarantors: The Additional Guarantors and the Existing Guarantors.

Holders: As defined in Section 2 hereof.

Indenture: The Indenture, dated as of the date hereof, among the Company, the Existing Guarantors and The Bank of New York, as trustee (the "Trustee"), pursuant to which the Notes are to be issued, as such Indenture is amended or supplemented from time to time in accordance with the terms thereof.

Initial Purchasers: As defined in the preamble hereto.

Interest Payment Date: As defined in the Notes.

NASD: National Association of Securities Dealers, Inc.

Notes: The Series A Notes and the Series B Notes.

Offering Memorandum: As defined in the Purchase Agreement.

Person: An individual, partnership, corporation, trust, limited liability company or unincorporated organization, or a government or agency or political subdivision thereof.

Prospectus: The prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

Record Holder: With respect to any Damages Payment Date relating to Notes, each Person who is a Holder of Notes on the record date with respect to the Interest Payment Date on which such Damages Payment Date shall occur.

Registration Default: As defined in Section 5 hereof.

Registrar: As defined in the Indenture.

Registration Statement: Any registration statement of the Company relating to (a) an offering of Series B Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, which is filed pursuant to the provisions of this Agreement, in each case including the Prospectus included therein, all

amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

Series B Notes: The Company's 6 3/8% Senior Subordinated Notes due 2015 to be issued pursuant to the Indenture in the Exchange Offer.

Shelf Filing Deadline: As defined in Section 4 hereof.

Shelf Registration Statement: As defined in Section 4 hereof.

Subsidiary Guarantee: The Guarantee by a Guarantor of the Company's obligations under the Notes and Indenture.

TIA: The Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbbb) as in effect on the date of the Indenture.

Transfer Restricted Securities: Each Note (including the Subsidiary Guarantees), until the earliest to occur of (a) the date on which such Note is exchanged by a person other than a Broker-Dealer for a Series B Note in the Exchange Offer, (b) following the exchange by a Broker-Dealer in the Exchange Offer of a Note for a Series B Note, the date on which such Series B Note is sold to a purchaser who receives from such Broker-Dealer on or prior to the date of such sale a copy of the Prospectus contained in the Exchange Offer Registration Statement, (c) the date on which such Note (including the Subsidiary Guarantees) is effectively registered under the Act and disposed of in accordance with the Shelf Registration Statement or (d) the date on which such Note (including the Subsidiary Guarantees) is distributed to the public pursuant to Rule 144 under the Act.

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

SECTION 2 SECURITIES SUBJECT TO THIS AGREEMENT

(a) Transfer Restricted Securities. The securities entitled to the benefits of this Agreement are the Transfer Restricted Securities.

(b) Holders of Transfer Restricted Securities. A Person is deemed to be a holder of Transfer Restricted Securities (each, a "Holder") whenever such Person owns Transfer Restricted Securities.

SECTION 3 REGISTERED EXCHANGE OFFER

(a) Unless the Exchange Offer shall not be permissible under applicable law or Commission policy (after the procedures set forth in Section 6(a) below have been complied with), the Company and the Guarantors shall (i) cause to be filed with the Commission as promptly as practicable after the Closing Date, but in no event later than 120 days after the Closing Date, a Registration Statement under the Act relating to the Series B Notes (including the Subsidiary Guarantees) and the Exchange Offer, (ii) use commercially reasonable efforts to cause such Registration Statement to be declared effective by the Commission as promptly as practicable, but in no event later than 210 days after the Closing Date (which 210-day period shall be extended for a number of days equal to the number of business days, if any, the

Commission is officially closed during such period), (iii) in connection with the foregoing, file (A) all pre-effective amendments to such Registration Statement as may be necessary in order to cause such Registration Statement to become effective, (B) if applicable, a post-effective amendment to such Registration Statement pursuant to Rule 430A under the Act and (C) cause all necessary filings in connection with the registration and qualification of the Series B Notes (including the Subsidiary Guarantees) to be made under the Blue Sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer and (iv) upon the effectiveness of such Registration Statement, commence the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting registration of the Series B Notes (including the Subsidiary Guarantees) to be offered in exchange for the Transfer Restricted Securities and to permit resales of Notes held by Broker-Dealers as contemplated by Section 3(c) below.

(b) The Company and the Guarantors shall cause the Exchange Offer Registration Statement to be effective continuously and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to Consummate the Exchange Offer; provided, however, that in no event shall such period be less than 20 business days. The Company and the Guarantors shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than

the Notes (including the Subsidiary Guarantees) shall be included in the Exchange Offer Registration Statement. The Company and the Guarantors shall use commercially reasonable efforts to cause the Exchange Offer to be Consummated on the earliest practicable date after the Exchange Offer Registration Statement has become effective, but in no event later than 30 business days thereafter.

(c) The Company and the Guarantors shall indicate in a "Plan of Distribution" section contained in the Prospectus contained in the Exchange Offer Registration Statement that any Broker-Dealer who owns Series A Notes that are Transfer Restricted Securities and that were acquired for its own account as a result of market-making activities or other trading activities (other than Transfer Restricted Securities acquired directly from the Company), may exchange such Series A Notes pursuant to the Exchange Offer; however, such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Act and must, therefore, deliver a Prospectus meeting the requirements of the Act in connection with any resales of the Series B Notes received by such Broker-Dealer in the Exchange Offer, which Prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Such "Plan of Distribution" section shall also contain all other information with respect to such resales by Broker-Dealers that the Commission may require in order to permit such resales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Notes held by any such Broker-Dealer except to the extent required by the Commission.

The Company and the Guarantors shall use commercially reasonable efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) below to the extent necessary to ensure that it is available for resales of Notes acquired by Broker-Dealers for their own accounts as a result of market-making activities or other trading activities, and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of 210 days from the date on which the Exchange Offer Registration Statement is declared effective or such shorter period that will terminate when all Notes covered by the Exchange Offer Registration Statement have been exchanged in the Exchange Offer.

The Company and the Guarantors shall provide sufficient copies of the latest version of such Prospectus to Broker-Dealers promptly upon request at any time during such 210 day period in order to facilitate such resales.

SECTION 4 SHELF REGISTRATION

(a) Shelf Registration. If (i) the Company and the Guarantors are not required to file the Exchange Offer Registration Statement or permitted to Consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy (after the procedures set forth in Section 6(a) below have been complied with) or (ii) any Holder of Transfer Restricted Securities that is a "qualified institutional buyer," as such term is defined in Rule 144A under the Act or an institutional "accredited investor," as such term is defined in Rule 501(a)(1), (2), (3) and (7) under the Act shall notify the Company prior to the 20th day following the Consummation of the Exchange Offer that such Holder alone or together with holders who hold in the aggregate at least $1.0 million in principal amount of Series A Notes (A) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, or (B) may not resell the Series B Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and that the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder, or (C) is a Broker-Dealer and holds Series A Notes acquired directly from the Company or an affiliate of the Company, the Company and the Guarantors shall:

(i) cause to be filed with the Commission a shelf Registration Statement pursuant to Rule 415 under the Act, which may be an amendment to the Exchange Offer Registration Statement (in either event, the "Shelf Registration Statement") on or prior to the earliest to occur of (A) the 30th day after the date on which the Company determines that it is not required to file the Exchange Offer Registration Statement, or permitted to Consummate the Exchange Offer and (B) the 30th day after the date on which the Company receives notice from a Holder of Transfer Restricted Securities as contemplated by clause (ii) of paragraph (a) above (such earliest date being the "Shelf Filing Deadline"), which Shelf Registration Statement shall provide for resales of all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof; and

(ii) use commercially reasonable efforts to cause such Shelf

Registration Statement to be declared effective by the Commission on or before the 90th day after the Shelf Filing Deadline.

The Company and the Guarantors shall use commercially reasonable efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for resales of Notes by the Holders of Transfer Restricted Securities entitled to the benefit of this Section 4(a), and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of at least two years following the Closing Date or such shorter period that will terminate when all Notes covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or become eligible for resale pursuant to Rule 144 without volume or other restrictions.

(b) Provision by Holders of Certain Information in Connection with the Shelf Registration Statement. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 10 business days after receipt of a request therefor, such information as the Company may reasonably request for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. No Holder of Transfer Restricted Securities shall be entitled to additional interest pursuant to Section 5 hereof unless and until such Holder shall have used its best efforts to provide all such reasonably requested information. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all

information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

SECTION 5 ADDITIONAL INTEREST

If (i) any of the Registration Statements required by this Agreement is not filed with the Commission on or prior to the date specified for such filing in sections 3(a) and 4(a), as applicable, (ii) any of such required Registration Statements has not been declared effective by the Commission on or prior to the date specified for such effectiveness in sections 3(a) and 4(a), as applicable, (the "Effectiveness Target Date"), (iii) the Exchange Offer has not been Consummated within 30 business days after the Effectiveness Target Date with respect to the Exchange Offer Registration Statement, or (iv) any Registration Statement required by this Agreement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded within five business days by a post-effective amendment to such Registration Statement that cures such failure and that is itself immediately declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), the Company and the Guarantors jointly and severally agree to pay additional interest to each Holder of Transfer Restricted Securities with respect to the first 90-day period immediately following the occurrence of such Registration Default, in an amount equal to $.05 per week per $1,000 principal amount of Transfer Restricted Securities held by such Holder for each week or portion thereof that the Registration Default continues. The amount of the additional interest shall increase by an additional $.05 per week per $1,000 in principal amount of Transfer Restricted Securities with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of additional interest of $.50 per week per $1,000 principal amount of Transfer Restricted Securities. The Company shall in no event be required to pay additional interest for more than one Registration Default at any given time. All accrued additional interest shall be paid to Record Holders by the Company and the Guarantors by wire transfer of immediately available funds or by federal funds check on each Damages Payment Date, as provided in the Indenture. Following the cure of all Registration Defaults relating to any particular Transfer Restricted Securities, the accrual of additional interest with respect to such Transfer Restricted Securities will cease.

All payment obligations of the Company and the Guarantors set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such payment obligations with respect to such Security shall have been satisfied in full provided, however, that the additional interest shall cease to accrue on the day immediately prior to the date such Transfer Restricted Securities cease to be Transfer Restricted Securities.

SECTION 6 REGISTRATION PROCEDURES

(a) Exchange Offer Registration Statement. In connection with the Exchange Offer, the Company and the Guarantors shall comply with all of the provisions of Section 6(c) below, shall use commercially reasonable efforts to effect such exchange to permit the sale of Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If in the reasonable opinion of counsel to the Company and the Guarantors there is a question as to whether the Exchange Offer is permitted by applicable law, the Company and the Guarantors hereby agree to seek a no-action letter or other favorable decision from the Commission allowing the Company and the Guarantors to Consummate an Exchange Offer for such Series A Notes. The Company and the Guarantors hereby agree to pursue the issuance of such a decision to the Commission staff level but shall not be required to take commercially

unreasonable action to effect a change of Commission policy. The Company and the Guarantors hereby agree however, to (A) participate in telephonic conferences with the Commission, (B) deliver to the Commission staff an analysis prepared by counsel to the Company and the Guarantors setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursue a resolution (which need not be favorable) by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the Consummation thereof, a written representation to the Company and the Guarantors (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the Series B Notes to be issued in the Exchange Offer and (C) it is acquiring the Series B Notes in its ordinary course of business. In addition, all such Holders of Transfer Restricted Securities shall otherwise cooperate in the Company's and the Guarantors' preparations for the Exchange Offer. Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer (A) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in Morgan Stanley and Co., Inc. (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters (including any no-action letter obtained pursuant to clause (i) above), and (B) must comply with the registration and prospectus delivery requirements of the Act in connection with a secondary resale transaction and that such a secondary resale transaction should be covered by an effective Registration Statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of Series B Notes obtained by such Holder in exchange for Series A Notes acquired by such Holder directly from the Company.

(iii) Prior to effectiveness of the Exchange Offer Registration Statement, the Company and the Guarantors shall provide a supplemental letter to the Commission (A) stating that the Company and the Guarantors are registering the Exchange Offer in reliance on the position of the Commission enunciated in Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley and Co., Inc. (available June 5, 1991) and, if applicable, any no-action letter obtained pursuant to clause (i) above and (B) including a representation that neither the Company nor any Guarantor has entered into any arrangement or understanding with any Person to distribute the Series B Notes to be received in the Exchange Offer and that, to the best of the Company's and each Guarantor's information and belief, each Holder participating in the Exchange Offer is acquiring the Series B Notes in its ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the Series B Notes received in the Exchange Offer.

(b) Shelf Registration Statement. In connection with the Shelf Registration Statement, the Company and the Guarantors shall comply with all the provisions of Section 6(c) below and shall use commercially reasonable efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto the Company and the Guarantors will as expeditiously as possible prepare and file with the Commission a Registration Statement relating

to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof.

(c) General Provisions. In connection with any Registration Statement and any Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Registration Statement and the related Prospectus required to permit resales of Notes by Broker-Dealers), the Company and the Guarantors shall:

(i) use commercially reasonable efforts to keep such Registration Statement continuously effective and provide all requisite financial statements (including, if required by the Act or any regulation thereunder, financial statements of any Guarantors) for the period specified in Section 3 or 4 of this Agreement, as applicable; upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company and the Guarantors shall file promptly an appropriate amendment to such Registration Statement, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), use commercially reasonable efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as practicable thereafter. Notwithstanding the foregoing, at any time after Consummation of the Exchange Offer, the Company and the Guarantors may allow the Shelf Registration Statement to cease to become effective and usable if (A) the board of directors of the Company determines in good faith that it is in the best interests of the Company not to disclose the existence of or facts surrounding any proposed or pending material corporate transaction involving the Company and the Guarantors, and the Company notifies the Holders within two business days after the Board of Directors makes such determination, or (B) the Prospectus contained in the Shelf Registration Statement contains an untrue statement of the material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that the two-year period referred to in Section 4(a) hereof during which the Shelf Registration Statement is required to be effective and usable shall be extended by the number of days during which such Registration Statement was not effective or usable pursuant to the foregoing provisions;

(ii) subject to Section 6(c)(i), prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, as applicable, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act, and to comply fully with the applicable provisions of Rules 424 and 430A under the Act in a timely manner; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) advise the underwriter(s), if any, and selling Holders of Transfer Restricted Securities and, if requested by such Persons, to confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or

the initiation of any proceeding for any of the preceding purposes and (D) of the existence of any fact or the happening of any event that makes any

statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto, or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Company and the Guarantors shall use commercially reasonable efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) upon written request, furnish to each of the selling Holders of Transfer Restricted Securities and each of the underwriter(s), if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which documents will be subject to the review of such Holders and underwriter(s), if any, for a period of at least five business days, and the Company and the Guarantors will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) if a selling Holder of Transfer Restricted Securities covered by such Registration Statement or the underwriter(s), if any, shall reasonably object within 5 business days after receipt thereof;

(v) upon written request, promptly prior to the filing of any document that is to be incorporated by reference into a Registration Statement or Prospectus, provide copies of such document to the selling Holders and to the underwriter(s), if any, make the Company's and the Guarantors' representatives available for discussion of such document and other customary due diligence matters, and include such information in such document prior to the filing thereof as such selling Holders or underwriter(s), if any, reasonably may request;

(vi) in the case of a Shelf Registration Statement, make available at reasonable times at the Company's principal place of business for inspection by the selling Holders of Transfer Restricted Securities, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney or accountant retained by such selling Holders or any of the underwriter(s) who shall certify to the Company and the Guarantors that they have a current intention to sell Transfer Restricted Securities pursuant to a Shelf Registration Statement, such financial and other information of the Company and the Guarantors as reasonably requested and cause the Company's and the Guarantors' officers, directors and employees to respond to such inquiries as shall be reasonably necessary, in the reasonable judgment of counsel to such Holders, to conduct a reasonable investigation; provided, however, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Company in writing as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such Registration Statement or otherwise), or (B) such person shall be required so to disclose such information pursuant to the subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Company prompt prior written notice of such requirement), or (C) such information is required to be set forth in such Registration Statement or the Prospectus included therein or in an amendment to such Registration Statement or an amendment or supplement to such Prospectus in order that such Registration Statement, Prospectus, amendment

or supplement, as the case may be, does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading;

(vii) if requested by any selling Holders of Transfer Restricted Securities or the underwriter(s), if any, promptly incorporate in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any

other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Company is notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(viii) upon request, furnish to each selling Holder of Transfer Restricted Securities and each of the underwriter(s), if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(ix) deliver to each selling Holder of Transfer Restricted Securities and each of the underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request; the Company and the Guarantors hereby consent to the use of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(x) enter into such agreements (including an underwriting agreement), and make such representations and warranties, and take all such other actions in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement, all to such extent as may be requested by the Initial Purchaser or, in the case of registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, by any Holder or Holders of Transfer Restricted Securities who hold at least 25% in aggregate principal amount of such class of Transfer Restricted Securities; provided, that, the Company and the Guarantors shall not be required to enter into any such agreement more than once with respect to all of the Transfer Restricted Securities and, in the case of a Shelf Registration Statement, may delay entering into such agreement if the Board of Directors of the Company determines in good faith that it is in the best interests of the Company and the Guarantors not to disclose the existence of or facts surrounding any proposed or pending material corporate transaction involving the Company and the Guarantors; and whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, the Company and the Guarantors shall:

(A) furnish to the Initial Purchasers, the Holders of Transfer Restricted Securities who hold at least 25% in aggregate principal amount of such class of Transfer Restricted Securities (in the case of a Shelf Registration Statement) and each underwriter, if any, in such substance and scope as they may request and as are customarily made in connection with an offering of debt securities pursuant to a Registration Statement (i) upon the effective date of

any Registration Statement (and if such Registration Statement contemplates an Underwritten Offering of Transfer Restricted Securities upon the date of the closing under the underwriting agreement related thereto) and (ii) upon the filing of any amendment or supplement to any Registration Statement or any other document that is incorporated in any Registration Statement by reference and includes financial data with respect to a fiscal quarter or year:

(1) a certificate, dated the date of effectiveness of the Shelf Registration Statement signed by (y) the respective Chairman of the Board, the respective President or any Vice President and (z) the respective Chief Financial Officer of the Company and each of the Guarantors confirming, as of the date thereof, the matters set forth in paragraph (h) of Section 7 of the Purchase Agreement and such other matters as such parties may reasonably request;

(2) an opinion, dated the date of effectiveness of the Shelf Registration Statement, as the case may be, of counsel for the Company covering the matters set forth in paragraphs (c) and (d) of Section 7 of the Purchase Agreement and such other matter as such parties may reasonably request, and in any event including a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company, the Initial Purchasers' representatives and the

Initial Purchasers' counsel in connection with the preparation of such Registration Statement and the related Prospectus and have considered the matters required to be stated therein and the statements contained therein, although such counsel has not independently verified the accuracy, completeness or fairness of such statements; and that such counsel advises that, on the basis of the foregoing (relying as to materiality to a large extent upon facts provided to such counsel by officers and other representatives of the Company and without independent check or verification), no facts came to such counsel's attention that caused such counsel to believe that the applicable Registration Statement, at the time such Registration Statement or any post-effective amendment thereto became effective, and, in the case of the Exchange Offer Registration Statement, as of the date of Consummation, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus contained in such Registration Statement as of its date and, in the case of the opinion dated the date of Consummation of the Exchange Offer, as of the date of Consummation, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated as of the date of Consummation of the Exchange Offer or the date of effectiveness of the Shelf Registration Statement, as the case may be, from the Company's independent accountants, in the customary form and covering matters of the type customarily covered in comfort letters by underwriters in connection with primary underwritten offerings, and affirming the matters set forth in the comfort letters delivered pursuant to Section 7 of the Purchase Agreement, without exception;

(B) set forth in full or incorporated by reference in the underwriting agreement, if any, the indemnification provisions and procedures of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section; and

(C) deliver such other documents and certificates as may be reasonably requested by such parties to evidence compliance with clause (A) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company and the Guarantors pursuant to this clause (x), if any.

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with the selling Holders of Transfer Restricted Securities, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the selling Holders of Transfer Restricted Securities or underwriter(s) may reasonably request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the Shelf Registration Statement filed pursuant to Section 4 hereof; provided, however, that the Company and the Guarantors shall not be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xii) shall issue, upon the request of any Holder of Series A Notes covered by the Shelf Registration Statement, Series B Notes, having an aggregate principal amount equal to the aggregate principal amount of Series A Notes surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such Series B Notes to be registered in the name of such Holder or in the name of the purchaser(s) of such Notes, as the case may be; in return, the Series A Notes held by such Holder shall be surrendered to the Company for cancellation;

(xiii) cooperate with the selling Holders of Transfer Restricted Securities and the underwriter(s), if any, to facilitate the timely

preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the Holders or the underwriter(s), if any, may request at least two business days prior to any sale of Transfer Restricted Securities made by such underwriter(s);

(xiv) use commercially reasonable efforts to cause the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xi) above;

(xv) subject to clause (d)(i) above, if any fact or event contemplated by clause (d)(iii)(D) above shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(xvi) provide a CUSIP number for all Transfer Restricted Securities not later than the effective date of the Registration Statement and provide the Trustee under the Indenture with printed certificates for the Transfer Restricted Securities which are in a form eligible for deposit with The Depository Trust Company;

(xvii) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the NASD;

(xviii) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make generally available to its security holders, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) for the twelve-month period (A) commencing at the end of any fiscal quarter in which Transfer Restricted Securities are sold to underwriters in a firm or best efforts Underwritten Offering or (B) if not sold to underwriters in such an offering, beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement;

(xix) cause the Indenture to be qualified under the TIA not later than the effective date of the first Registration Statement required by this Agreement, and, in connection therewith, cooperate with the Trustee and the Holders of Notes to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute, and use commercially reasonable efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner;

(xx) provide promptly to each Holder upon request each document filed with the Commission pursuant to the requirements of Section 13 and Section 15 of the Exchange Act; and

(xxi) so long as any Transfer Restricted Securities remain outstanding, cause each Additional Guarantor upon the creation or acquisition by the Company of such Additional Guarantor, to execute a counterpart to this Agreement in the form attached hereto as Annex A and to deliver such counterpart, together with an opinion of counsel as to the enforceability thereof against such entity, to the Initial Purchasers no later than five business days following the execution thereof.

Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition and will use its reasonable best efforts to cause any underwriter to forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof, or until it is advised in writing (the "Advice") by the

Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus. If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from

and including the date of the giving of such notice pursuant to Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(d)(xv) hereof or shall have received the Advice.

The Company and the Guarantors may require each Holder of Transfer Restricted Securities as to which any registration is being effected to furnish to the Company such information regarding such Holder and such Holder's intended method of distribution of the applicable Transfer Restricted Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Act. Each such Holder agrees to notify the Company as promptly as practicable of (i) any inaccuracy or change in information previously furnished by such Holder to the Company or (ii) the occurrence of any event, in either case, as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Holder or such Holder's intended method of distribution of the applicable Transfer Restricted Securities or omits to state any material fact regarding such Holder or such Holder's intended method of distribution of the applicable Transfer Restricted Securities required to be stated therein or necessary to make the statements therein not misleading and promptly to furnish to the Company any additional information required to correct and update any previously furnish to the Company any additional information required to correct and update any previously furnished information or required so that such Prospectus shall not contain, with respect to such Holder or the distribution of the applicable Transfer Restricted Securities an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the transactions contemplated by this Agreement (the "Transactions") and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, that neither party (nor any employee, representative or other agent thereof) shall disclose any information (a) that is not relevant to an understanding of the U.S. federal income tax treatment or tax structure of the Transactions or (b) to the extent such disclosure could result in a violation of any federal or state securities laws.

SECTION 7 REGISTRATION EXPENSES

All expenses incident to the Company's and the Guarantors' performance of or compliance with this Agreement will be borne by the Company regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses (including filings made by any Initial Purchaser or Holder with the NASD (and, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel that may be required by the rules and regulations of the NASD)); (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the Series B Notes to be issued in the Exchange Offer and printing of Prospectuses), messenger and delivery services; (iv) all fees and disbursements of counsel for the Company and the Guarantors and the Holders of Transfer Restricted Securities; and (v) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will, in any event, bear its and the Guarantors' internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting

duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company or the Guarantors.

SECTION 8 INDEMNIFICATION

(a) The Company and the Guarantors shall, jointly and severally, indemnify and hold harmless each Holder of Transfer Restricted Securities, its officers and employees and each person, if any, who controls any such Holders, within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases, sales and registration of Notes), to which that Holder, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained (A) in any Registration Statement or Prospectus or in any amendment or supplement thereto or (B) in any blue sky application or other document prepared or executed by the Company or any Guarantor (or based upon any written information furnished by the Company or any Guarantor) specifically for the purpose of qualifying any or all of the Notes under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "Blue Sky Application"), (ii) the omission or alleged omission to state in any Registration Statement or Prospectus, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any act or failure to act or any alleged act or failure to act by any Holder in connection with, or relating in any manner to, the Notes or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (provided that the Company and the Guarantors shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Holder through its gross negligence or willful misconduct), and shall reimburse each Holder and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Holder, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company and the Guarantors shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Statement or Prospectus, or in any such amendment or supplement, or in any Blue Sky Application, in reliance upon and in conformity with written information concerning such Holder furnished to the Company by or on behalf of any Holder specifically for inclusion therein. The foregoing indemnity agreement is in addition to any liability which the Company and the Guarantors may otherwise have to any Holder or to any officer, employee or controlling person of that Holder.

(b) Each Holder, severally and not jointly, shall indemnify and hold harmless the Company and the Guarantors, their respective officers and employees, each of their respective directors, and each person, if any, who controls the Company or the Guarantors within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company, the Guarantors or any such director, officer or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained (A) in any Registration Statement or Prospectus, or in any amendment or supplement thereto, or (B) in any Blue Sky Application or (ii) the omission or alleged omission to state in any Registration Statement or Prospectus, or in any amendment or supplement thereto, or in any Blue Sky Application any material fact required to be stated therein or necessary to make the statements therein not misleading, but

in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Holders furnished to the Company by or on behalf of that Holder specifically for inclusion therein, and shall reimburse the Company, the Guarantors and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company, the Guarantors or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The

foregoing indemnity agreement is in addition to any liability which any Holder may otherwise have to the Company, the Guarantors or any such director, officer, employee or controlling person. The Company and the Guarantors shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution of such Registrable Securities to the same extent as provided above with respect to information or affidavit furnished in writing by such Persons as provided specifically for in any Prospectus or Registration Statement.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure and, provided further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of the indemnified party unless (i) the employment thereof has been specifically authorized by the indemnifying party in writing, (ii) such indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party and in the reasonable judgment of such counsel it is advisable for such indemnified party to employ separate counsel or (iii) the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to one local counsel) at any time for all such indemnified parties, which firm shall be designated in writing by Lehman Brothers Inc., if the indemnified parties under this Section 8 consist of any Initial Purchaser or any of their respective officers, employees or controlling persons, or by the Company, if the indemnified parties under this Section consist of the Company, the Guarantors or any of their respective directors, officers, employees or controlling persons. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties

are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company

and the Guarantors, on the one hand, and the Holders on the other, from the offering of the Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors, on the one hand and the Holders on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors, on the one hand and the Holders on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Series A Notes purchased under the Purchase Agreement (before deducting expenses) received by the Company and the Guarantors, on the one hand, and the total discounts and commissions received by the Holders with respect to the Series A Notes purchased under this Agreement, on the other hand, bear to the total gross proceeds from the offering of the Series A Notes under the Purchase Agreement. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Guarantors or the Holders, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Guarantors and the Holders agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), no Holder shall be required to contribute any amount in excess of the amount by which the net proceeds received by it in connection with its sale of Notes exceeds the amount of any damages which such Holder has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute as provided in this Section 8(d) are several and not joint.

SECTION 9 RULE 144A

The Company and each Guarantor hereby agrees with each Holder of Transfer Restricted Securities, during any period in which the Company or such Guarantor is not subject to Section 13 or 15(d) of the Exchange Act within the two-year period following the Closing Date, to make available to any Holder or beneficial owner of Transfer Restricted Securities, in connection with any sale thereof and

any prospective purchaser of such Transfer Restricted Securities from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

SECTION 10 PARTICIPATION IN UNDERWRITTEN REGISTRATIONS

No Holder may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such underwriting arrangements.

SECTION 11 SELECTION OF UNDERWRITERS

The Holders of Transfer Restricted Securities covered by the Shelf Registration Statement who desire to do so may sell such Transfer Restricted Securities in an Underwritten Offering at such Holders' expense. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering; provided, that such investment bankers and managers must be reasonably satisfactory to the Company.

SECTION 12 MISCELLANEOUS

(a) Remedies. The Company and the Guarantors agree that monetary damages

(including the additional interest contemplated hereby) would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements. Neither the Company nor any Guarantor will, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Except as disclosed in the Offering Memorandum or in the documents incorporated therein by reference, neither the Company nor any Guarantor has previously entered into any agreement granting any registration rights with respect to its securities to any Person that is inconsistent with the terms of this Agreement. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's or any Guarantor's securities under any agreement in effect on the date hereof.

(c) Adjustments Affecting the Notes. The Company and the Guarantors will not take any action, or permit any change to occur, with respect to the Notes that would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer.

(d) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities. Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by

the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities being tendered or registered.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

(ii) if to the Company or the Guarantors:

L-3 Communications Corporation
600 Third Avenue, 34th Floor,
New York, New York 10016,
Attention: Christopher C. Cambria (Fax: 212-805-5494),

With a copy to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY, 10017
Attention: Vincent Pagano Jr. (Fax: 212-455-2502)

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders; provided, however, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities from such Holder.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(j) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) Entire Agreement. This Agreement together with the other Operative Documents (as defined in the Purchase Agreement) is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company and the Guarantors with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

[Signature pages follow]

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

L-3 COMMUNICATIONS CORPORATION

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President, Secretary and General Counsel

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRARED VISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE VISION, INC.
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.
L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC

L-3 COMMUNICATIONS WESTWOOD CORPORATION
MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.

SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.,
as Guarantors

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.
as Guarantor

By: L-3 COMMUNICATIONS AIS GP CORPORATION,
as general partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Director

SENIOR SUBORDINATED NOTES REGISTRATION RIGHTS AGREEMENT

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

LEHMAN BROTHERS INC.
BANC OF AMERICA SECURITIES LLC
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
For themselves and as representatives
of the several Initial Purchasers

By: LEHMAN BROTHERS INC.

By: /s/ Steve Mehos

Authorized Representative

SENIOR SUBORDINATED NOTES REGISTRATION RIGHTS AGREEMENT

EXHIBIT 10.74
EXECUTION VERSION

RESALE REGISTRATION RIGHTS AGREEMENT

AMONG

L-3 COMMUNICATIONS HOLDINGS, INC.,
THE COMPANY

AND

THE GUARANTORS LISTED ON THE SIGNATURE PAGE HERETO

AND

LEHMAN BROTHERS INC.
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
BANC OF AMERICA SECURITIES LLC

As the Representatives

DATED AS OF JULY 29, 2005

RESALE REGISTRATION RIGHTS AGREEMENT, dated as of July 29, 2005 between L-3 Communications Holdings, Inc., a Delaware corporation (together with any successor entity, herein referred to as the "Company"), and the guarantors listed on the signature page hereto (the "Guarantors"), and Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC and Banc of America Securities LLC, as representatives (the "Representatives") of the several Initial Purchasers as listed in Schedule 1 of the Purchase Agreement (as defined below)(the "Initial Purchasers").

Pursuant to the Purchase Agreement, dated July 27, 2005, among the Company, the Guarantors and the Initial Purchasers (the "Purchase Agreement"), the Initial Purchasers have agreed to purchase from the Company up to $600,000,000 ($700,000,000 if the Initial Purchasers exercise their option to purchase additional CODES in full) in aggregate principal amount of the Company's 3.0% Convertible Contingent Debt Securities due 2035 ("CODES"). The CODES will be convertible into fully paid, nonassessable shares of common stock, par value $0.01 per share, of the Company (the "Common Stock") on the terms, and subject to the conditions, set forth in the Indenture (as defined herein). To induce the Initial Purchasers to purchase the CODES, the Company and the Guarantors have agreed to provide the registration rights set forth in this Agreement pursuant to Section 3(i) of the Purchase Agreement.

The parties hereby agree as follows:

1. Definitions. As used in this Agreement, the following capitalized terms shall have the following meanings:

Additional Interest: As defined in Section 3(a) hereof.

Additional Interest Payment Date: Each Interest Payment Date.

Advice: As defined in Section 4(c)(ii) hereof.

Affiliate: As such term is defined in Rule 405 under the Securities Act.

Agreement: This Resale Registration Rights Agreement.

Blue Sky Application: As defined in Section 6(a) hereof.

Broker-Dealer: Any broker or dealer registered under the Exchange Act.

Business Day: A day other than a Saturday or Sunday or any federal holiday in the United States

Closing Date: The date of this Agreement.

CODES: As defined in the preamble hereto.

Commission: Securities and Exchange Commission.

Common Stock: As defined in the preamble hereto.

Company: As defined in the preamble hereto.

Effectiveness Period: As defined in Section 2(a)(iii) hereof.

Effectiveness Target Date: As defined in Section 2(a)(ii) hereof.

Exchange Act: Securities Exchange Act of 1934, as amended.

Filing Deadline: As defined in Section 2(a)(i) hereof.

Holder: A Person who owns, beneficially or otherwise, Transfer Restricted Securities.

Indemnified Holder: As defined in Section 6(a) hereof.

Indenture: The Indenture, dated as of July 29, 2005, among the Company, the Guarantors and The Bank of New York, as trustee (the "Trustee"), pursuant to which the CODES are to be issued, as such Indenture is amended, modified or supplemented from time to time in accordance with the terms thereof.

Initial Purchasers: As defined in the preamble hereto.

Interest Payment Date: As defined in the Indenture.

Majority of Holders: Holders holding 50% in aggregate principal amount of the CODES outstanding at the time of determination of the Majority of Holders; provided, however, that, for purposes of this definition, a holder of shares of Common Stock which constitute Transfer Restricted Securities that were previously issued upon conversion of CODES shall be deemed to hold an aggregate principal amount of CODES (in addition to the principal amount of CODES held by such holder) equal to the product of (x) the number of such shares of Common Stock held by such holder and (y) the prevailing conversion price, such prevailing conversion price as determined in accordance with Section 12 of the Indenture.

NASD: National Association of Securities Dealers, Inc.

Notice and Questionnaire: The Notice of Registration Statement and Selling Security Holder Election and Questionnaire in substantially the form attached as Exhibit A to the Offering Memorandum for the CODES, including the Notice of Transfer Pursuant to Registration Statement in substantially the form attached hereto as Exhibit 1.

Person: An individual, partnership, corporation, unincorporated organization, trust, joint venture or a government or agency or political subdivision thereof.

Prospectus: The prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

Questionnaire Deadline: As defined in Section 2(b) hereof.

Record Holder: With respect to any Additional Interest Payment Date, each Person who is a Holder on the record date with respect to the Interest Payment Date on which such Additional Interest Payment Date shall occur.

Registration Default: As defined in Section 3(a) hereof.

Registration Statement: As defined in Section 2(a)(i) hereof.

Sale Notice: As defined in Section 4(e) hereof.

Securities Act: Securities Act of 1933, as amended.

Suspension Period. As defined in Section 4(b)(i) hereof.

TIA: Trust Indenture Act of 1939, as in effect on the date the Indenture is qualified under the TIA.

Transfer Restricted Securities: Each CODES, the guarantees thereof and each share of Common Stock issued upon conversion of CODES until the earliest to occur of:

(i) the date on which such CODES or such share of Common Stock issued upon conversion has been effectively registered under the Securities Act and disposed of in accordance with the Registration Statement;

(ii) the date on which such CODES or such share of Common Stock issued upon conversion (A) has been transferred in compliance with Rule 144 under the Securities Act, (B) may be sold or transferred pursuant to Rule 144 under the Securities Act without regard to the volume limitations thereof (or any other similar provision then in force) or (C) two years following the last date of original issuance of the CODES; and

(iii) the date on which such CODES or such share of Common Stock issued upon conversion ceases to be outstanding (whether as a result of redemption, repurchase and cancellation, conversion or otherwise).

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

2. Registration.

(a) The Company and the Guarantors shall:

(i) not later than 120 days after the earliest date of original issuance of any of the CODES (the "Filing Deadline"), cause a shelf registration statement to be filed pursuant to Rule 415 under the Securities Act (the "Registration Statement"), which Registration Statement shall provide for resales of all Transfer

Restricted Securities held by Holders that have provided the information required pursuant to the terms of Section 2(b) hereof;

(ii) use all commercially reasonable efforts to cause the Registration Statement to be declared effective by the Commission as promptly as is practicable, but in no event later than 210 days after the earliest date of original issuance of any of the CODES (the "Effectiveness Target Date"); and

(iii) use all commercially reasonable efforts to keep the Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 4(b) hereof to the extent necessary to ensure that: (A) it is available for resales by the Holders of Transfer Restricted Securities entitled to the benefit of this Agreement and (B) conforms with the requirements of this Agreement and the Securities Act and the rules and regulations of the Commission promulgated thereunder as announced from time to time, for a period (the "Effectiveness Period") of:

(1) two years following the last date of original issuance of the CODES; or

(2) such shorter period that will terminate when (x) all of the Holders of Transfer Restricted Securities (other than the Company and its Affiliates) are able to sell all Transfer Restricted Securities pursuant to Rule 144(k) under the Securities Act or any successor rule thereto, (y) when all Transfer Restricted Securities have ceased to be outstanding (whether as a result of redemption, repurchase and cancellation, conversion or otherwise) or (z) all Transfer Restricted Securities registered under the Registration Statement have been sold pursuant thereto.

(b) To have its Transfer Restricted Securities included in the Shelf Registration Statement pursuant to this Agreement, each Holder shall complete the Selling Securityholder Notice and Questionnaire, the form of which is contained in Annex A to the Offering Memorandum relating to the Securities (the "QUESTIONNAIRE"). The Issuer shall mail the Questionnaire to each Holder not less than 20 Business Days (but not more than 40 Business Days) prior to the time the Issuer intends in good faith to have the Shelf Registration Statement declared effective by the Commission. Holders are required to complete and deliver the Questionnaire to the Issuer within 10 Business Days prior to the effectiveness of the Registration Statement (the "QUESTIONNAIRE DEADLINE") so that they may be named as selling securityholders in the Prospectus at the time that the Shelf Registration Statement is declared effective. Holders who have not delivered a Questionnaire prior to the effectiveness of the Shelf Registration Statement may receive a Questionnaire from the Issuer upon request.

Upon receipt of a Questionnaire from a Holder on or prior to the Questionnaire Deadline, the Issuer shall include such Holder's Transfer Restricted Securities in the Shelf Registration Statement and the Prospectus. In addition, promptly upon the request of a Holder given to the Issuer at any time, the Issuer shall deliver a Questionnaire to such Holder. Any Holder that does not complete and deliver a Questionnaire prior to the Questionnaire Deadline may not be named as a selling

securityholder in the Shelf Registration Statement at the time that it is declared effective. Upon receipt of a completed Questionnaire from a Holder who did not complete and deliver a Questionnaire prior to the Questionnaire Deadline, the Issuer and the Guarantors shall, within 20 Business Days of such receipt, file such supplements to a related Prospectus as are necessary to permit such Holder to be named as a selling security holder in the Prospectus. Notwithstanding anything in this section, the Company will not be required to add selling securityholders if it would be required to file a post-effective amendment to the registration statement.

No Holder of Transfer Restricted Securities shall be entitled to Additional Interest pursuant to Section 3 hereof unless such Holder shall have provided all such reasonably requested information prior to or on the Questionnaire Deadline. Each Holder as to which the Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make information previously furnished to the Company by such Holder not materially misleading.

3. Additional Interest.

(a) If:

(i) the Registration Statement is not filed with the Commission prior to or on the Filing Deadline;

(ii) the Registration Statement has not been declared effective by the Commission prior to or on the Effectiveness Target Date;

(iii) subject to the provisions of Section 4(b)(i) hereof, the Registration Statement is filed and declared effective but, during the Effectiveness Period, shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded within five Business Days by a post-effective amendment to the Registration Statement or a report filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act that cures such failure and, in the case of a post-effective amendment, is itself immediately declared effective; or

(iv) (A) prior to or on the 45th or 60th day, as the case may be, of any Suspension Period, such suspension has not been terminated or (B) the Suspension Periods exceed an aggregate of 90 days in any 360-day period,

(each such event referred to in foregoing clauses (i) through (iv), a "Registration Default"), the Company and the Guarantors jointly and severally hereby agree to pay Additional Interest ("Additional Interest") with respect to the Transfer Restricted Securities from and including the day following the Registration Default to but excluding the day on which the Registration Default has been cured which shall accrue as follows:

(A) in respect of the CODES, to each holder of CODES, (x) during the first 90-day period during which a Registration Default shall have occurred and be continuing, at the rate of an additional 0.25% of the principal amount of the CODES per year, and (y) during the period

commencing on the 91st day following the day the Registration Default shall have occurred and be continuing, at the rate of an additional 0.50% of the principal amount of the CODES per year; provided that in no event shall Additional Interest accrue at a rate per year exceeding 0.50% of the principal amount of the CODES; and

(B) no Additional Interest shall be payable on any CODES that have been converted into shares of Common Stock.

(b) All accrued Additional Interest shall be paid in arrears to Record Holders by the Company or the Guarantors on each Additional Interest Payment Date by wire transfer of immediately available funds. Following the cure of all Registration Defaults relating to any particular Note or share of Common Stock issued upon conversion of CODES, the accrual of Additional Interest with respect to such CODES or such share of Common Stock shall cease.

All obligations of the Company and the Guarantors to pay Additional Interest set forth in this Section 3 with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such Transfer Restricted Security shall have been satisfied in full provided, however, that the Additional Interest shall cease to accrue on the day immediately prior to the date such Transfer Restricted Securities cease to be Transfer Restricted Securities.

The Additional Interest set forth above shall be the exclusive monetary remedy available to the Holders of Transfer Restricted Securities for Registration Defaults.

4. Registration Procedures.

(a) In connection with the Registration Statement, the Company and the Guarantors shall comply with all the provisions of Section 4(b) hereof and shall use all reasonable efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto, shall prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Securities Act.

(b) In connection with the Registration Statement and any Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities, the Company and the Guarantors shall:

(i) Subject to any notice by the Company and the Guarantors in accordance with this Section 4(b) of the existence of any fact or event of the kind described in Section 4(b)(iii)(D), use its reasonable efforts to keep the Registration Statement continuously effective during the Effectiveness Period; upon the occurrence of any event that would cause any the Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not be effective and usable for the resale of Transfer Restricted Securities during the Effectiveness Period, the Company and the Guarantors shall file promptly an appropriate amendment to the Registration Statement or a report filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the

Exchange Act, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), use all reasonable efforts to cause such amendment to be declared effective and the Registration Statement and the related Prospectus to become usable for their intended purposes as soon as practicable thereafter. Notwithstanding the foregoing, the Company and the Guarantors may suspend the effectiveness of the Registration Statement by written notice to the Holders for a period not to exceed an aggregate of 45 days in any 90-day period (each such period, a "Suspension Period") and not to exceed an aggregate of 90 days in any 360-day period if:

(x) an event occurs and is continuing as a result of which the Registration Statement would, in the Company's and the Guarantors' reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and

(y) the Company and the Guarantors reasonably determine that the disclosure of such event at such time would have a material adverse effect on the business of the Company and the Guarantors (and their subsidiaries, if any, taken as a whole);

provided, however, that in the event the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede the Company's and the Guarantors' ability to consummate such transaction, the Company and the Guarantors may extend a Suspension Period from 45 days to 60 days.

(ii) Prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective during the Effectiveness Period; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and to comply fully with the applicable provisions of Rules 424 and 430A under the Securities Act in a timely manner; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in the Registration Statement or supplement to the Prospectus; provided, however, that in no event will such method(s) of distribution take the form of an Underwritten Offering without the prior written agreement of the Company.

(iii) Advise the underwriter(s), if any, and selling Holders promptly (but in any event within five Business Days) and, if requested by such Persons, to confirm such advice in writing:

(A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to the Registration

Statement or any post-effective amendment thereto, when the same has become effective,

(B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto,

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, or

(D) of the existence of any fact or the happening of any event, during the Effectiveness Period, that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto, or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading.

Each Holder of this Security, by accepting the same, agrees to hold any communication from the Company and the Guarantors pursuant to this paragraph 4(b)(iii) in confidence.

(iv) If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, use its reasonable efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

(v) Furnish to each of the selling Holders and each of the underwriter(s), if any, before filing with the Commission, a copy of the Registration Statement and copies of any Prospectus included therein (other than documents incorporated by reference after the initial filing of the Registration Statement), which documents will be subject to the review of such Holders and underwriter(s), if any, for a period of at least ten Business Days, and the Company and the Guarantors will not file the Registration Statement or Prospectus (other than documents incorporated by reference) to which a selling Holder of Transfer Restricted Securities covered by the Registration Statement or the underwriter(s), if any, shall reasonably object within five Business Days after the receipt thereof. The Company and the Guarantors shall also furnish to each of the selling Holders and each of the underwriter(s), if any, before filing with the Commission, if reasonably practicable, or otherwise promptly after filing with the Commission, copies of any amendments to the Registration Statement or supplements to the

Prospectus (other than documents incorporated by reference after the initial filing of the Registration Statement), and to make the Company's and the Guarantors' representatives available for discussion of such amendments or supplements and make such changes in such amendments or supplements prior to the filing thereof, if reasonably practicable, or prepare and file further amendments or supplements, as the selling Holders or underwriter(s), if any, may reasonably request. A selling Holder or underwriter, if any, shall be deemed to have reasonably objected to such filing if the Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission.

(vi) Make available at reasonable times for inspection by one or more representatives of the selling Holders, designated in writing by a Majority of Holders whose Transfer Restricted Securities are included in the Registration Statement, any underwriter participating in any distribution pursuant to the Registration Statement, and any attorney or accountant retained by such selling Holders or any of the underwriter(s), all financial and other records, pertinent corporate documents and properties of the Company and the Guarantors as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the Company's and the Guarantors' officers, directors, managers and employees to supply all information reasonably requested by any such representative or representatives of the selling Holders, underwriter, attorney or accountant in connection with the Registration Statement after the filing thereof and before its effectiveness; provided, however, that any information designated by the Company as confidential at the time of delivery of such information shall be kept confidential by the recipient thereof; provided further, that in no event shall the Company be required to furnish any material nonpublic information pursuant to this subsection (vi).

(vii) If reasonably requested by any selling Holders or the underwriter(s), if any, promptly incorporate in the Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s), if any, may request to have included therein, including, without limitation: (A) information relating to the "Plan of Distribution" of the Transfer Restricted Securities, (B) information with respect to the principal amount of CODES or number of shares of Common Stock being sold to such underwriter(s), (C) the purchase price being paid therefor and (D) any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; provided, however, that with respect to any information requested for inclusion by a selling Holder, this clause (vii) shall apply only to such information that relates to the Transfer Restricted Securities to be sold by such selling Holder; and make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after the Company is notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(viii) Furnish to each selling Holder and each of the underwriter(s), if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto (and any documents incorporated by reference therein or exhibits thereto (or exhibits incorporated in such exhibits by reference) as such Person may request).

(ix) Deliver to each selling Holder and each of the underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request; subject to any notice by the Company in accordance with this Section 4(b) of the existence of any fact or event of the kind described in Section 4(b)(iii)(D), the Company and the Guarantors hereby consent to the use of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto.

(x) If an underwriting agreement is entered into and the registration is an Underwritten Registration, the Company and the Guarantors shall:

(A) upon request, furnish to each underwriter and, in the case of clause (1), to each selling Holder, in such substance and scope as they may reasonably request and as are customarily made by issuers to underwriters in primary underwritten offerings, upon the date of closing of any sale of Transfer Restricted Securities in an Underwritten Registration:

(1) a certificate, dated the date of such closing, signed by the Chief Financial Officer of the Company and each of the Guarantors confirming, as of the date thereof, the matters set forth in Section 5(h) of the Purchase Agreement and such other matters as such parties may reasonably request;

(2) opinions, each dated the date of such closing, of counsel to the Company covering such of the matters as are customarily covered in legal opinions to underwriters in connection with primary underwritten offerings of securities; and

(3) customary comfort letters, dated the date of such closing, from the Company's independent accountants (and from any other accountants whose report is contained or incorporated by reference in the Registration Statement), in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with primary underwritten offerings of securities;

(B) set forth in full in the underwriting agreement, if any, indemnification provisions and procedures which provide rights no less

protective than those set forth in Section 6 hereof with respect to all parties to be indemnified by the Company and the Guarantors; and

(C) deliver such other documents and certificates as may be reasonably requested by such parties to evidence compliance with clause (A) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the selling Holders pursuant to this clause (x).

(xi) Before any public offering of Transfer Restricted Securities, cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the selling Holders or underwriter(s), if any, may reasonably request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the Registration Statement; provided, however, that the Company and the Guarantors shall not be required (A) to register or qualify as a foreign corporation or a dealer of securities where it is not now so qualified or to take any action that would subject it to the service of process in any jurisdiction where it is not now so subject or (B) to subject themselves to taxation in any such jurisdiction if they are not now so subject.

(xii) Cooperate with the selling Holders and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends (unless required by applicable securities laws) and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the Holders or the underwriter(s), if any, may request at least two Business Days before any sale of Transfer Restricted Securities made by such underwriter(s).

(xiii) Use all reasonable efforts to cause the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other U.S. governmental agencies or authorities as may be necessary to enable the seller or sellers

thereof or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities.

(xiv) Subject to Section 4(b)(i) hereof, if any fact or event contemplated by Section 4(b)(iii)(D) hereof shall exist or have occurred, use all reasonable efforts to prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(xv) Provide CUSIP numbers for all Transfer Restricted Securities not later than the effective date of the Registration Statement and provide the Trustee under the Indenture with certificates for the CODES that are in a form eligible for deposit with The Depository Trust Company.

(xvi) Cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter that is required to be retained in accordance with the rules and regulations of the NASD.

(xvii) Otherwise use their best efforts to comply with all applicable rules and regulations of the Commission and all reporting requirements under the rules and regulations of the Exchange Act.

(xviii) Cause the Indenture to be qualified under the TIA not later than the effective date of the Registration Statement required by this Agreement, and, in connection therewith, cooperate with the Trustee and the holders of CODES to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA, and execute and use all reasonable efforts to cause the Trustee thereunder to execute all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner.

(xix) Cause all Transfer Restricted Securities covered by the Registration Statement to be listed or quoted, as the case may be, on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed or quoted.

(xx) Provide promptly to each Holder upon written request each document filed with the Commission pursuant to the requirements of Section 13 and Section 15 of the Exchange Act after the effective date of the Registration Statement.

(xxi) If reasonably requested by the underwriters, if any, make appropriate officers of the Company and the Guarantors reasonably available to the underwriters for meetings with prospective purchasers of the Transfer Restricted Securities and prepare and present to potential investors customary "road show" material in a manner consistent with other new issuances of other securities similar to the Transfer Restricted Securities.

(c) Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of any notice from the Company of the existence of any fact of the kind described in Section 4(b)(iii)(D) hereof, such Holder will, and will use its reasonable efforts to cause any underwriter(s) in an Underwritten Offering to, forthwith discontinue disposition of Transfer Restricted Securities pursuant to the Registration Statement until:

(i) such Holder has received copies of the supplemented or amended Prospectus contemplated by Section 4(b)(xv) hereof; or

(ii) such Holder is advised in writing (the "Advice") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus.

If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of such notice of suspension.

(d) Each Holder who intends to be named as a selling Holder in the Registration Statement shall furnish to the Company in writing, no later than the Questionnaire Deadline, such information regarding such Holder and the proposed distribution by such Holder of its Transfer Restricted Securities as the Company may reasonably request for use in connection with the Registration Statement or Prospectus or preliminary Prospectus included therein. Holders that do not complete the questionnaire and deliver it to the Company shall not be named as selling securityholders in the Prospectus or preliminary Prospectus included in the Registration Statement and therefore shall not be permitted to sell any Transfer Restricted Securities pursuant to the Registration Statement. Each Holder who intends to be named as a selling Holder in the Registration Statement shall promptly furnish to the Company in writing such other information as the Company may from time to time reasonably request in writing.

(e) Upon the effectiveness of the Registration Statement, each Holder shall notify the Company at least three Business Days prior to any intended distribution of Transfer Restricted Securities pursuant to the Registration Statement (a "Sale Notice"), which notice shall be effective for five Business Days. Each Holder of this Security, by accepting the same, agrees to hold any communication by the Company in response to a Sale Notice in confidence.

5. Registration Expenses.

(a) All expenses incident to the Company's and the Guarantors' performance of or compliance with this Agreement shall be borne by the Company regardless of whether a Registration Statement becomes effective, including, without limitation:

(i) all registration and filing fees and expenses (including filings made by the Initial Purchasers or Holders with the NASD);

(ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws;

(iii) all expenses of printing (including printing of Prospectuses and certificates for the Common Stock to be issued upon conversion of the CODES), messenger and delivery services and telephone;

(iv) all fees and disbursements of counsel to the Company and the Guarantors and, subject to Section 5(b) below, the Holders of Transfer Restricted Securities;

(v) all application and filing fees in connection with listing (or authorizing for quotation) the Common Stock on a national securities exchange or automated quotation system pursuant to the requirements hereof; and

(vi) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company shall bear its and the Guarantors' internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal, accounting or other duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company.

(b) In connection with the Registration Statement required by this Agreement, the Company shall reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities being registered pursuant to the Registration Statement, as applicable, for the reasonable fees and disbursements not to exceed the amount of $50,000 of not more than one counsel, which shall be Latham & Watkins LLP, or such other counsel as may be chosen by a Majority of Holders for whose benefit the Registration Statement is being prepared.

6. Indemnification and Contribution.

(a) The Company shall indemnify and hold harmless each Holder, such Holder's officers and employees and each person, if any, who controls such Holder within the meaning of the Securities Act (each, an "Indemnified Holder"), from and against any loss, claim, damage or liability, joint or several, or any

action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to resales of the Transfer Restricted Securities), to which such Indemnified Holder may become subject, insofar as any such loss, claim, damage, liability or action arises out of, or is based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Registration Statement or Prospectus or any amendment or supplement thereto or (B) any blue sky application or other document or any amendment or supplement thereto prepared or executed by the Company (or based upon written information furnished by or on behalf of the Company expressly for use in such blue sky application or other document or amendment on supplement) filed in any jurisdiction specifically for the purpose of qualifying any or all of the Transfer Restricted Securities under the securities law of any state or other jurisdiction (such application or document being hereinafter called a "Blue Sky Application"); or

(ii) the omission or alleged omission to state therein any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading,

and shall reimburse each Indemnified Holder promptly upon demand for any legal or other expenses reasonably incurred by such Indemnified Holder in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company and the Guarantors shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus or amendment or supplement thereto or Blue Sky Application in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Holder (or its related Indemnified Holder) specifically for use therein or out of the failure by the Indemnified Holder to furnish to any purchaser of its Restricted Transfer Security of the Prospectus and any supplement or amendment thereto in the form provided to such Indemnified Holder by the Company. The foregoing indemnity agreement is in addition to any liability which the Company and the Guarantors may otherwise have to any Indemnified Holder.

(b) Each Holder, severally and not jointly, shall indemnify and hold harmless the Company and the Guarantors, their respective officers and employees, their respective directors and each person, if any, who controls the Company or the Guarantors within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company, the Guarantors or any such director, officer, employee or controlling person may become subject, insofar as any such loss, claim, damage or liability or action arises out of, or is based upon:

(i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or Prospectus or any amendment or supplement thereto or any Blue Sky Application; or

(ii) the omission or the alleged omission to state therein any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading,

but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder (or its related Indemnified Holder) specifically for use therein, and shall reimburse the Company, the Guarantors and any such directors, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Company, the Guarantors or any such director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Holder may otherwise have to the Company, the Guarantors or any of their respective directors, officers, employees or controlling persons and any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the claim or the commencement of that action; provided,

however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 6 except to the extent it has been materially prejudiced by such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 6. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that a Majority of Holders shall have the right to employ a single counsel to represent jointly a Majority of Holders and their respective officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by a Majority of Holders against the Company, the Guarantors or any of their respective directors, officers, employees or controlling persons under this Section 7; and provided, further, that if a Majority of Holders shall have reasonably concluded that there may be one or more legal defenses available to them and their respective officers, employees and controlling persons that are different from or additional to those available to the Company, the Guarantors and any of their respective directors, officers, employees and controlling persons, the fees and expenses of a single separate counsel shall be paid by the Company and the Guarantors. No indemnifying party shall:

(i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld) settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party seeking indemnification hereunder from all liability arising out of such claim, action, suit or proceeding, or

(ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 6 shall for any reason be unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b) in respect of any loss, claim, damage or liability (or action in respect thereof) referred to therein, each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability (or action in respect thereof):

(i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors from the offering and sale of the Transfer Restricted Securities on the one hand and a Holder with respect to the sale by such Holder of the Transfer Restricted Securities on the other, or

(ii) if the allocation provided by clause (6)(d)(i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 6(d)(i) but also the relative fault of the Company on the one hand and the Holder on the other in connection with the statements or omissions or alleged statements or alleged omissions that resulted in such loss, claim, damage or liability (or action in respect thereof), as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Guarantors on the one hand and a Holder on the other with respect to such offering and such sale shall be

deemed to be in the same proportion as the total net proceeds from the offering of the CODES purchased under the Purchase Agreement (before deducting expenses) received by the Company and the Guarantors as set forth in the table on Schedule 1 hereto, on the one hand, bear to the total proceeds received by such Holder with respect to its sale of Transfer Restricted Securities on the other. The relative fault of the parties shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantors on the one hand or the Holders on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Guarantors and each Holder agree that it would not be just and equitable if the amount of contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the first sentence of this paragraph (d). The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 6 shall be deemed to include, for purposes of this Section 6, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 6, no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Transfer Restricted Securities purchased by it were resold exceeds the amount of any damages which such Holder has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute as provided in this Section 6(d) are several and not joint.

7. Rule 144A. In the event the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company and each of the Guarantors hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding, to make available to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

8. Participation in Underwritten Registrations. No Holder may participate in any Underwritten Registration hereunder unless such Holder:

(i) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements; and

(ii) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such underwriting arrangements.

9. Selection of Underwriters. The Holders of Transfer Restricted Securities covered by the Registration Statement who desire to do so may, with the prior consent of the Company, sell such Transfer Restricted Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by a Majority of Holders whose Transfer Restricted Securities are included in such offering; provided, however, that such investment bankers and managers must be reasonably satisfactory to the Company.

10. Miscellaneous.

(a) Remedies. The Company and the Guarantors acknowledge and agree that any failure by the Company or the Guarantors to comply with its obligations under Section 2 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Section 2 hereof. The Company and the Guarantors further agree to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) Adjustments Affecting Transfer Restricted Securities. The Company and the Guarantors shall not, directly or indirectly, take any action with respect to the Transfer Restricted Securities as a class that would adversely

affect the ability of the Holders of Transfer Restricted Securities to include such Transfer Restricted Securities in a registration undertaken pursuant to this Agreement.

(c) No Inconsistent Agreements. The Company and the Guarantors will not, on or after the date of this Agreement, enter into any agreement with respect to its securities that interferes with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. In addition, the Company and the Guarantors shall not grant to any of its security holders (other than the holders of Transfer Restricted Securities in such capacity) the right to include any of its securities in the Registration Statement provided for in this Agreement other than the Transfer Restricted Securities. Except for the obligation described in the Purchase Agreement to the sellers of the ILEX Systems, Inc. business, the Company and the Guarantors have not previously entered into any agreement (which has not expired or been terminated) granting any registration rights with respect to its securities to any Person which rights conflict with the provisions hereof.

(d) Amendments and Waivers. This Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, unless the Company has obtained the written consent of a Majority of Holders.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the registrar under the Indenture or the transfer agent of the Common Stock, as the case may be; and

(ii) if to the Company or the Guarantors:

L-3 Communications Holdings, Inc.
600 Third Avenue, 36th Floor
New York, New York 10016
Attn: Christopher Cambria

With a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Attn: Vincent Pagano, Jr.

All such notices and communications shall be deemed to have been duly given at: the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; provided, however, that (i) this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities from such Holder and (ii) nothing contained herein shall be deemed to permit any assignment, transfer or other disposition of Transfer Restricted Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Transfer Restricted Securities, in any manner, whether by operation of law or otherwise, such Transfer Restricted Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Transfer Restricted Securities such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Securities Held by the Company or its' Affiliates. Whenever the consent or approval of Holders of a specified percentage of Transfer Restricted Securities is required hereunder, Transfer Restricted Securities held by the Company or its Affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(i) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(j) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(k) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(l) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company and the Guarantors with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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

L-3 COMMUNICATIONS HOLDINGS, INC.,
as the Company

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Senior Vice President, Secretary and General Counsel

APCOM, INC.
BROADCAST SPORTS INC.
D.P. ASSOCIATES INC.
ELECTRODYNAMICS, INC.
HENSCHEL INC.
HYGIENETICS ENVIRONMENTAL SERVICES, INC.
INTERSTATE ELECTRONICS CORPORATION
KDI PRECISION PRODUCTS, INC.
L-3 COMMUNICATIONS AEROMET, INC.
L-3 COMMUNICATIONS VERTEX AEROSPACE LLC
L-3 COMMUNICATIONS ADVANCED LASER SYSTEMS TECHNOLOGY, INC.
L-3 COMMUNICATIONS AIS GP CORPORATION
L-3 COMMUNICATIONS AVIONICS SYSTEMS, INC.
L-3 COMMUNICATIONS AVISYS CORPORATION
L-3 COMMUNICATIONS CE HOLDINGS, INC.
L-3 COMMUNICATIONS CINCINNATI ELECTRONICS CORPORATION
L-3 COMMUNICATIONS CORPORATION
L-3 COMMUNICATIONS CSI, INC.
L-3 COMMUNICATIONS AYDIN CORPORATION
L-3 COMMUNICATIONS ELECTRON TECHNOLOGIES, INC.
L-3 COMMUNICATIONS ESSCO, INC.
L-3 COMMUNICATIONS FLIGHT INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS FLIGHT CAPITAL LLC
L-3 COMMUNICATIONS GOVERNMENT SERVICES, INC.
L-3 COMMUNICATIONS ILEX SYSTEMS, INC.
L-3 COMMUNICATIONS INFRARED VISION TECHNOLOGY CORPORATION
L-3 COMMUNICATIONS INVESTMENTS INC.
L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC.
L-3 COMMUNICATIONS MAS (US) CORPORATION
L-3 COMMUNICATIONS MOBILE-VISION, INC.
L-3 COMMUNICATIONS SECURITY AND DETECTION SYSTEMS, INC.
L-3 COMMUNICATIONS SONOMA EO, INC.

L-3 COMMUNICATIONS VECTOR INTERNATIONAL AVIATION LLC
L-3 COMMUNICATIONS WESTWOOD CORPORATION
MCTI ACQUISITION CORPORATION
MICRODYNE COMMUNICATIONS TECHNOLOGIES INCORPORATED
MICRODYNE CORPORATION
MICRODYNE OUTSOURCING INCORPORATED
MPRI, INC.
PAC ORD INC.
POWER PARAGON, INC.
SHIP ANALYTICS, INC.
SHIP ANALYTICS INTERNATIONAL, INC.
SHIP ANALYTICS USA, INC.
SPD ELECTRICAL SYSTEMS, INC.
SPD SWITCHGEAR INC.
SYCOLEMAN CORPORATION
TROLL TECHNOLOGY CORPORATION
WESCAM AIR OPS INC.
WESCAM AIR OPS LLC
WESCAM HOLDINGS (US) INC.
WESCAM INCORPORATED
WESCAM LLC
WOLF COACH, INC.,
as Guarantors

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Vice President and Secretary

L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P., as a Guarantor

By: L-3 COMMUNICATIONS AIS GP CORPORATION,
as general partner

By: /s/ Christopher C. Cambria

Name: Christopher C. Cambria
Title: Director

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

LEHMAN BROTHERS INC.
BEAR, STEARNS & CO. INC.
CREDIT SUISSE FIRST BOSTON LLC
BANC OF AMERICA SECURITIES LLC
For themselves and as representatives
of the several Initial Purchasers

By: LEHMAN BROTHERS INC.

By: /s/ Steve Mehos

Authorized Representative

Exhibit 12.1

L-3 COMMUNICATIONS HOLDINGS, INC. AND
L-3 COMMUNICATIONS CORPORATION

RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in thousands)

	Six Months Ended June 30, 2005
Earnings:	
Income before income taxes	$ 347,670
Add:	
Interest expense	73,794
Amortization of debt expense	2,818
Interest component of rent expense	16,127
Earnings	$ 440,409
Fixed Charges:	
Interest expense	$ 73,794
Amortization of debt expense	2,818
Interest component of rent expense	16,127
Fixed Charges	$ 92,739
Ratio of earnings to fixed charges	4.7x

Exhibit 31.1

CERTIFICATIONS

I, Frank C. Lanza, certify that:

1. I have reviewed this report on Form 10-Q of L-3 Communications Holdings, Inc. and L-3 Communications Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;

4. The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrants and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

Date: August 9, 2005

/s/ Frank C. Lanza
Frank C. Lanza
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Michael T. Strianese, certify that:

1. I have reviewed this report on Form 10-Q of L-3 Communications Holdings, Inc. and L-3 Communications Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;

4. The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrants and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

Date: August 9, 2005

/s/ Michael T. Strianese
Michael T. Strianese
Senior Vice President and Chief Financial Officer

Exhibit 32

SECTION 1350 CERTIFICATIONS

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of L-3 Communications Holdings, Inc. ("L-3 Holdings") and L-3 Communications Corporation ("L-3 Corporation" together with L-3 Holdings referred to as "L-3") on Form 10-Q for the period ended June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Frank C. Lanza, Chairman and Chief Executive Officer of L-3 Holdings and L-3 Corporation, and Michael T. Strianese, Senior Vice President and Chief Financial Officer of L-3 Holdings and L-3 Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of L-3.

/s/ Frank C. Lanza
Frank C. Lanza
Chairman and Chief Executive Officer
August 9, 2005

/s/ Michael T. Strianese
Michael T. Strianese
Senior Vice President and Chief Financial Officer
August 9, 2005