

08-10-2000



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

75887158

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

08/09/2000 DNGUYEN 00000257 75887158

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40.00 OP

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002118 FRAME: 0250

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75887158"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Leslie W. Kernan, Jr.

July 7, 2000

Name of Person Signing

Signature

Date Signed

MODIFIED AND RESTATED SECURITY AGREEMENT

THIS MODIFIED AND RESTATED SECURITY AGREEMENT (the "Modified Security Agreement") dated as of the 4th day of March, 1996 is by and between CHEMICAL BANK, a New York banking corporation with offices at 1975 Lake Street, Elmira, New York 14901 (the "Bank") and IMAGING AND SENSING TECHNOLOGY CORPORATION, a New York corporation with offices at Westinghouse Circle, Horseheads, New York (the "Borrower");

WHEREAS, the Borrower entered into a loan agreement dated as of April 29, 1988 with the Bank (the "1988 Loan Agreement") to finance the purchase of certain assets from the Imaging and Sensing Technology Division of Westinghouse Electric Corporation and to provide for its working capital needs thereafter; and

WHEREAS, in connection with the 1988 Loan Agreement, the Borrower executed and delivered its Security Agreement dated April 29, 1988 (the "1988 Security Agreement"); and

WHEREAS, the Borrower entered into a modified and restated loan agreement dated as of August 29, 1990 with the Bank (the "1990 Loan Agreement") to finance the purchase by a subsidiary of Borrower of certain assets from the Reuter Stokes, Canada Division of Furst Manufacturing Corporation and to provide for its working capital needs thereafter; and

WHEREAS, in connection with the 1990 Loan Agreement, the Borrower modified and restated the 1988 Security Agreement pursuant to a modified and restated security agreement dated August 29, 1990 (the "1990 Security Agreement"); and

WHEREAS, the Borrower entered into a modified and restated loan agreement dated as of August 31, 1994 with the Bank (the "1994 Loan Agreement") to refinance amounts outstanding under the 1990 Loan Agreement and to provide for the working capital needs of the Borrower; and

WHEREAS, the Borrower and the Bank entered into a Revolving Loan Agreement dated March 30, 1995 (the "1995 Loan Agreement") to finance the working capital needs of the Borrower; and

WHEREAS, the Borrower executed and delivered its Security Agreement in connection with the 1995 Loan Agreement (the "1995 Security Agreement"); and

WHEREAS, the Borrower and the Bank entered into two modifications of loan agreements, each dated October 31, 1995 (collectively the "1996 Modifications") to modify certain terms of the 1994 Loan Agreement and 1995 Loan Agreement; and

WHEREAS, the Borrower reaffirmed its obligations under the 1990 Security Agreement and 1995 Security Agreement in connection with the 1994 Loan Agreement and 1996 Modifications, as applicable; and

WHEREAS, the Borrower requires funds to finance the purchase of the stock of Rees Instruments Limited, an English corporation ("Rees (Britain)") and to finance the purchase of the assets of Rees Instruments, Inc., a Georgia corporation ("Rees (US)") (collectively, the "1996 Acquisition") and to provide for its working capital needs thereafter, and to refinance all existing debt to the Bank; and

WHEREAS, the Bank has agreed to increase the revolving credit to partially finance the 1996 Acquisition and to provide for the increased working capital needs of the Borrower, and to make a term loan to partially finance the 1996 Acquisition and to refinance all of the Borrower's existing indebtedness to the Bank under the 1994 Loan Agreement and 1995 Loan Agreement, as amended by the 1996 Modification pursuant to a modified and restated Loan Agreement dated the date hereof (the "Modified Loan Agreement");

WHEREAS, it is a condition of the Modified Loan Agreement that the Guarantor modify, consolidate and restate the 1990 Security Agreement and 1995 Security Agreement pursuant to this Modified Security Agreement;

NOW, THEREFORE, in order to induce the Bank to enter into the Modified Loan Agreement, the Borrower hereby agrees with the Bank that the 1990 Security Agreement and 1995 Security Agreement shall be modified, consolidated and restated as follows:

1. Definitions. The capitalized words and terms used in this Modified Security Agreement shall have the same meanings as set forth in the Modified Loan Agreement unless otherwise defined herein.

2. Security Interest. To secure the payment of all indebtedness or liabilities of the Borrower to the Bank, existing and hereafter incurred, including, without limitation, all indebtedness due and owing under the Modified Loan Agreement, the Notes and all other agreements or instruments executed in connection with the transactions set forth in such agreements, as any of the foregoing may from time to time be respectively amended, modified, substituted, extended or renewed (hereinafter collectively referred to as the "Obligations"), the Borrower hereby grants and conveys to the Bank a first and continuing security interest in:

(a) all inventories wherever located, now owned or hereafter acquired, including but not limited to, all raw

materials, supplies, parts, sub-assemblies, finished goods, goods in transit, work in process and miscellaneous inventories and all returns, credits, and refunds, and the right to collect the same, including lease payments;

(b) all equipment, machinery and fixtures wherever located, now owned or hereafter acquired, including but not limited to, controls, programs, tools, tooling, furnishings, owner's manuals, operating instructions, maintenance logs, warranties, warranty service data, sales literature, together with any and all documents relating thereto;

(c) all accounts and accounts receivable, now owned or hereafter acquired, whether billed or unbilled, and all rights of the Borrower to payment for goods sold or leased or for services rendered, including rights to payment earned under contract rights, lease payments, together with the Borrower's records relating to all of the foregoing;

(d) all general intangibles and contract rights, including without limitation government contracts, now owned or hereafter acquired, including but not limited to, copyrights, patents, trademarks, trade names and similar intangibles or every nature and description, instruments, chattel paper, purchase orders, instruments and other documents evidencing obligations for and representing payment for goods sold or leased or for services rendered by the Borrower, the proceeds of and the goods represented by any of the foregoing, lease payments, and choses in action;

(e) in regard to the foregoing (a) through (d), to further include all increases, improvements, additions and accessions thereto, replacements thereof and substitutions therefor, together with all cash and non-cash proceeds, to include insurance proceeds thereon, if any.

(The foregoing (a) through (e) may hereinafter be referred to as the "Collateral").

3. Representations, Warranties and Covenants of the Borrower. The Borrower warrants, covenants and agrees as follows:

(a) Authority. That the Borrower has the full power and corporate authority to grant and convey to the Bank the above security interest in the Collateral.

(b) Defend Title. To defend the title to the Collateral against all persons and against all claims and demands whatsoever, which Collateral except for the security interest granted hereby, is lawfully owned by the Borrower and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments.

(c) Assurance of Title. On demand of the Bank to do the following: Furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Modified Security Agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Bank in the Collateral and pay all costs of filing in connection therewith.

(d) Possession. To retain possession of the Collateral during the existence of this Modified Security Agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same except in the ordinary course of business without the prior written consent of the Bank.

(e) Liens. To keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments except as permitted under the Modified Loan Agreement or this Modified Security Agreement.

(f) Taxes. To pay, when due, all taxes, assessments and license fees relating to the Collateral.

(g) Repairs. To keep the Collateral, at the Borrower's own cost and expense, in good repair and condition and not to misuse, abuse, waste or allow to deteriorate except for normal wear and tear.

(h) Inspection. To permit the Bank, through any of its officers or agents, at all reasonable times, to examine or inspect any of the Collateral and to examine and photocopy Borrower's books and records relating to the Collateral.

(i) Insurance. To keep the Collateral insured against loss by fire (including extended coverage), theft and other hazards as the Bank may require. Policies shall be in such form and amounts and with such companies as are customary for concerns in the same locations, business and of the same size as the Borrower. Policies shall be obtained from responsible insurers authorized to do business in each respective state where the Collateral is located. Certificates of insurance policies, payable to the respective parties as their interests may appear, shall be deposited with the Bank, who is authorized, but under no duty, to obtain such insurance upon failure of the Borrower to do so. The Borrower shall give immediate written notice to the Bank and to insurers of loss or damage to the Collateral and shall promptly file proofs of loss with insurers. The Borrower hereby assigns to the Bank all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the Obligations.

(j) Change of Address. To immediately notify the Bank in writing of any changes in or discontinuance of the Borrower's place or places of business.

(k) Affixed to Realty. If any of the Collateral is attached to real estate prior to the perfection of the security interest granted hereby, the Borrower will on demand of the Bank furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral which is prior to the Bank's interest.

(l) Security Interest. The Borrower covenants that this security interest shall be first priority security interest.

4. Events of Default. The following shall constitute Events of Default by the Borrower:

(a) Failure by the Borrower to comply with or perform any provision of this Modified Security Agreement.

(b) False or misleading representations or warranties made or given by the Borrower in connection with this Modified Security Agreement.

(c) Any breach, default or Event of Default which occurs under the Modified Loan Agreement, or under any other document or instrument executed in connection therewith or herewith.

5. Remedies on Default or Events of Default.

(a) Upon any breach, default or Event of Default of the Borrower and at the option of the Bank, the Obligations secured by this Modified Security Agreement shall immediately become due and payable in full without notice or demand and the Bank shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded to a secured party by the applicable sections of the Uniform Commercial Code respecting "Default", in effect as of the date of this Modified Security Agreement.

(b) Upon any breach, default or Event of Default, the Bank's attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the Collateral shall be chargeable to the Borrower.

(c) The Borrower and any Corporate Guarantor shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay any such deficiency forthwith on demand.

(d) If the Borrower shall default in the performance of any of the provisions of this Modified Security Agreement on the Borrower's part to be performed, the Bank may perform same for the Borrower's account and any monies expended in so doing shall be chargeable with interest to the Borrower and added to the indebtedness secured hereby.

(e) The Bank, at the Bank's sole discretion, may: (1) enter upon the Borrower's premises peaceably by the Bank's own means or with legal process and take possession of the Collateral, or render it unusable, or dispose of the Collateral on the Borrower's premises and the Borrower agrees not to resist or interfere; (2) require the Borrower to assemble the Collateral and deliver it to the Bank at a place to be designated by the Bank, reasonably convenient to both parties (the Borrower agrees that the Bank's designated agent's address is a place reasonably convenient for such delivering); (3) unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank will give the borrower reasonable notice of the time and place of any involuntary public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of the Borrower shown above, at least three days before the time of such sale or disposition.

(f) The Borrower hereby irrevocably appoints the Bank its true and lawful agent, with power of substitution for the Borrower and in the Borrower's name or in the name of the Bank, for the use and benefit of the Bank (1) to demand, collect, receive payment of, receipt for and give discharges and releases of all or any of the Collateral and any proceeds in respect thereof; (2) to settle, compromise, compound or adjust all or any of the Collateral; (3) to commence and prosecute any and all suits, actions or proceedings in law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral, or to enforce any rights in respect thereof; and (4) generally to sell, assign, transfer, pledge, or otherwise deal with all or any of the Collateral as fully as though the Bank were the absolute owner thereof for all purposes. The Bank shall have the right to notify, or to require the Borrower to notify, the parties obligated on any or all of the contracts or personal property herein assigned to the Bank to make payment thereon direct to the Bank, and to take control of all proceeds.

(g) All the rights and remedies of the Bank, whether evidenced hereby or by any other agreement or instrument shall be cumulative and may be exercised singly or concurrently. No act of the Bank shall be construed as an election to proceed under any one provision to the exclusion of any other provision.

6. General Provisions.

(a) Notes. Instruments relating to the Obligations are separate from this Modified Security Agreement and may be negotiated by the Bank without releasing the Borrower, the Collateral, or the Corporate Guarantors. The Borrower consents to any extension of time of payment in the Bank's sole discretion. The obligation of the Borrower and all the Corporate Guarantors, pursuant to the Modified Loan Agreement, shall be primary, joint and several as to this Modified Security Agreement.

(b) Non-Waiver. The Bank shall not be deemed to have waived any of its rights hereunder or under any other agreement or instrument unless such waiver is in writing and executed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver thereof or of any other right. A waiver upon any one occasion shall not be construed as a bar or waiver of any right or remedy on any future occasion.

(c) Notices. Any notice shall be conclusively deemed to have been received by a party hereto and be effective on the day on which personally delivered to such party at the address set forth below, or at such other address as such party shall specify to the other party in writing, or if sent by certified mail, on the third business day after the date on which mailed, addressed to such party at said address:

(i) if to the Bank: Chemical Bank, 1975 Lake Street, Elmira, New York 14901; Attention: Christine M. McLeod, Vice President; and

(ii) if to the Borrower: Imaging and Sensing Technology Corporation, Westinghouse Circle, Horseheads, New York 14845; Attention: Philip C. Ponzi.

(d) Law Applicable. The N.Y. Uniform Commercial Code and New York law shall govern the rights, duties and remedies of the parties hereto without reference to its principles of conflicts of law.

(e) Assignment. The Bank may assign this Modified Security Agreement, and if assigned, the assignee shall be entitled to performance of all of the Borrower's obligations and agreements hereunder and the assignee shall be entitled to all of the rights and remedies of the Bank hereunder. The Borrower will assert no claims or defenses the Borrower may have against the Bank against the assignee.

(f) Financing Statements. The Bank is hereby authorized to file UCC financing statements to effectuate the purposes of this

Modified Security Agreement and any amendments thereto without the signature of the Borrower.

(g) Captions. The paragraph captions are inserted herein only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Modified Security Agreement nor the intent of any provision thereof.

(h) Benefit. The terms, warranties and agreements herein contained shall bind and inure to the benefit of the parties hereto, their legal representatives, successors and assigns.

(i) Amendments. This Modified Security agreement may not be amended except by written agreement between the parties. In the event there have been any inadvertent substantive or typographical errors herein or in any of the loan documents or financing statements executed thereby, the parties agree that such errors shall be timely cured by proper amendments.

(j) Severability. The invalidity or enforceability of any one or more phrases, sentences, clauses or paragraphs in this Modified Security Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Security Agreement or any part thereof.

(k) Grammatical Usage. Terms used herein in any number or gender shall include other numbers or genders, as the context may require, to effectuate the purposes hereof.

7. Counterparts. This Modified Security Agreement may be executed in as many counterparts as may be deemed necessary and convenient and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have respectively signed and delivered this Modified Security Agreement as of the day and year first above written.

BORROWER:

IMAGING AND SENSING TECHNOLOGY CORPORATION

By: Philip C. Ponzi
Philip C. Ponzi
Chairman

ACCEPTED BY LENDER:

CHEMICAL BANK

By: Christine M. McLeod
Christine M. McLeod
Vice President

STATE OF NEW YORK)

SS.:

COUNTY OF CHEMUNG)

On this 4 day of March, 1996, before me personally came Philip C. Ponzi, to me known, who, being by me duly sworn, did depose and say that he is the Chairman of IMAGING AND SENSING TECHNOLOGY CORPORATION, the corporation described in and which executed the foregoing Modified Security Agreement; and that he signed his name thereto by order of the Board of Directors.

Tula T. Mitchell
Notary Public

TULA T. MITCHELL
Notary Public in the State of New York
STEUBEN COUNTY #4813476
Commission Expires July 31, 1996

STATE OF NEW YORK)

SS.:

COUNTY OF CHEMUNG)

On this 4 day of March, 1996, before me personally came Christine M. McLeod, to me known, who, being by me duly sworn did depose and say that she resides in Elmira, New York; that she is a

Vice President of CHEMICAL BANK, the banking institution described in and which executed the above Modified Security Agreement; and that she signed her name thereto by order of the Board of Directors of said banking institution.

Tula T. Mitchell

Notary Public

TULA T. MITCHELL
Notary Public in the State of New York
STEUBEN COUNTY #4813476
Commission Expires July 31, 19 96

MODIFICATION TO SECURITY AGREEMENTS

THIS MODIFICATION TO SECURITY AGREEMENTS dated as of the 14th day of October, 1997 is by and among THE CHASE MANHATTAN BANK (f/k/a Chemical Bank), a New York banking corporation with offices at 395 North Service Road, Suite 302, Melville, New York 11747-3142 (the "Bank"), and IMAGING AND SENSING TECHNOLOGY CORPORATION, a New York corporation with offices at 1975 Lake Street, Elmira, New York 14901 (the "Borrower"); I & S T CANADA, INC., an Ontario corporation with offices at 465 Dobbie Drive, Cambridge, Ontario, Canada N1R5X9 ("Canada"); and CONAX BUFFALO CORPORATION, a New York corporation with offices at 2300 Walden Avenue, Buffalo, New York 14225 ("Conax") (the Borrower, Canada and Conax being sometimes hereinafter referred to collectively as the "Debtors").

WHEREAS, the Borrower and the Bank executed a Modified and Restated Loan Agreement dated as of March 4, 1996 (the "Loan Agreement"); and

WHEREAS, among other items, as collateral for the repayment of all indebtedness, liabilities and obligations of the Borrower to the Bank under the Loan Agreement, the Bank received security interests pursuant to (i) a Modified and Restated Security Agreement dated as of March 4, 1996 between the Borrower and the Bank, (ii) a Modified and Restated Security Agreement dated as of March 4, 1996 between Canada and the Bank, and (iii) a Security Agreement dated as of July 28, 1997 between Conax and the Bank (the "Conax Security Agreement") (each of the Security Agreements in (i), (ii) and (iii) hereinafter referred to collectively as the "Security Agreements"); and

WHEREAS, the Bank and Borrower have entered into an Amended and Restated Loan Agreement dated the date hereof (the "Restated Loan Agreement"); and

WHEREAS, it is a condition precedent to the effectiveness of the Restated Loan Agreement that, among other things, the Debtors shall have executed and delivered this Modification to Security Agreements (All capitalized terms not otherwise defined herein shall have the meaning attributed to them in the Restated Loan Agreement);

NOW, THEREFORE, in order to induce the Bank to enter into the Restated Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtors hereby agree with the Bank as follows:

1. Wherever in the Security Agreement the terms "Modified Loan Agreement" or "1996 Loan Agreement" appear, they shall be deleted and replaced with the term "Restated Loan Agreement".

2. The Obligations secured by the Security Agreements shall be deemed to include all indebtedness or liabilities of the Debtors to the Bank pursuant to the Restated Loan Agreement, and all documents executed in connection with the Restated Loan Agreement including (without limitation) the Revolving Credit Note, the Alternative Currency Note, the Term Note and the Letters of Credit.

3. Paragraph 2(a) of the Conax Security Agreement is hereby modified and restated to provide, in its entirety, as follows:

(a) To secure the payment of all indebtedness or liabilities of the Guarantor to the Bank, existing and hereafter incurred, including, without limitation, all indebtedness due and owing under the Guaranty, may from time to time be amended, modified, substituted, extended or renewed (hereinafter collectively referred to as the "Obligations"), the Guarantor hereby grants and conveys to the Bank a first and continuing security interest in:

(i) all inventories wherever located, now owned or hereafter acquired, including but not limited to, all raw materials, supplies, parts, sub-assemblies, finished goods, goods in transit, work in process and miscellaneous inventories and all returns, credits, and refunds, and the right to collect the same, including lease payments;

(ii) all equipment, machinery and fixtures wherever located, now owned or hereafter acquired, including but not limited to, controls, programs, tools, tooling, furnishings, owner's manuals, operating instructions, maintenance logs, warranties, warranty service data, sales literature, together with any and all documents relating thereto;

(iii) all accounts and accounts receivable, now owned or hereafter acquired, whether billed or unbilled, and all rights of the Guarantor to payment for goods sold or leased or for services rendered, including rights to payment earned under contract rights, lease payments, together with the Guarantor's records relating to all of the foregoing;

(iv) all general intangibles and contract rights, including without limitation government contracts, now owned or hereafter acquired, including but not limited to, copyrights, patents, trademarks, trade names and similar intangibles of every nature and description, instruments, chattel paper, purchase orders, instruments and other documents evidencing obligations for and representing payment for goods sold or leased or for services rendered by the Guarantor, the

proceeds of and the goods represented by any of the foregoing, lease payments, and choses in action;

(v) in regard to the foregoing (i) through (iv), to further include all increases, improvements, additions and accessions thereto, replacements thereof and substitutions therefor, together with all cash and non-cash proceeds, to include insurance proceeds thereon, if any.

(The foregoing (i) through (v) may hereinafter be referred to as the "Collateral").

4. The Debtors do hereby represent and warrant, covenant and agree that each of the Debtors have the full power and the corporate authority to execute and deliver this Modification of Security Agreements and this Modification of Security Agreements is enforceable by the Bank in accordance with its terms except as limited by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting generally the enforcement of creditors' rights.

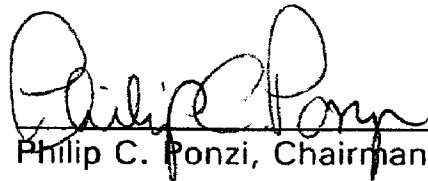
5. Each of the Debtors affirms that (i) it will execute all necessary documents deemed by the Bank in its reasonable judgment to give effect to this Modification to Security Agreements including (without limitation) Financing Statements, (ii) the representations, warranties and covenants of the Debtors applicable to the respective Debtor as set forth in the applicable Security Agreement are true and correct as of the date hereof, and (iii) the Security Agreements remain in full force and effect and continue to grant the security interest in the Collateral (as such term is defined in the Security Agreements).

6. The "Notices" provision of the Security Agreements is modified to change the name of Chemical Bank to The Chase Manhattan Bank.

IN WITNESS WHEREOF, the parties have respectfully signed and delivered this Modification to Security Agreements as of the date first written above.

IMAGING AND SENSING TECHNOLOGY
CORPORATION

By:


Philip C. Ponzi, Chairman

I & S T CANADA INC.

By: Philip C. Ponzi
Philip C. Ponzi, Chairman

CONAX BUFFALO CORPORATION

By: Philip C. Ponzi
Philip C. Ponzi, Chairman

THE CHASE MANHATTAN BANK

By: Christine M. McLeod
Christine M. McLeod,
Vice President

STATE OF NEW YORK)

SS.:

COUNTY OF CHEMUNG)

On this 14th day of October, 1997, before me personally came PHILIP C. PONZI, to me known, who, being by me duly sworn, did depose and say that he is the Chairman of IMAGING AND SENSING TECHNOLOGY CORPORATION, I & S T CANADA, INC. and CONAX BUFFALO CORPORATION, the corporations described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Boards of Directors of each corporation.

Leslie W. Kernan Jr.
Notary Public

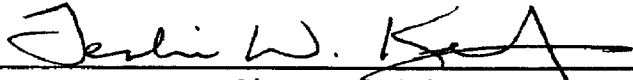
LESLIE W. KERNAN JR.
Notary Public in the State of New York
MONROE COUNTY
Commission Expires May 31, 1999

STATE OF NEW YORK)

SS.:

COUNTY OF CHEMUNG)

On this 14~~th~~ day of October, 1997, before me personally came CHRISTINE M. McLEOD, to me known, who, being by me duly sworn did depose and say that she resides in Elmira, New York, that she is a Vice President of THE CHASE MANHATTAN BANK, the banking institution described in and which executed the above instrument; and that she signed her name thereto by order of the Board of Directors of said banking institution.



Notary Public

LESLIE W. KERNAN JR.
Notary Public in the State of New York
MONROE COUNTY
Commission Expires May 31, 1999

MODIFICATION OF SECURITY AGREEMENTS

THIS MODIFICATION OF SECURITY AGREEMENTS dated as of June 13, 2000, is by and among THE CHASE MANHATTAN BANK (f/k/a Chemical Bank), a New York banking corporation with offices at 1975 Lake Street, Elmira, New York 14901 (the "Bank"), and IMAGING AND SENSING TECHNOLOGY CORPORATION, a New York corporation with offices at 100 IST Center, Horseheads, New York 14845 (the "Borrower"); IST CONAX NUCLEAR, INC. (f/k/a Conax Buffalo Corporation, a New York corporation with offices at 2300 Walden Avenue, Buffalo, New York 14225 ("Conax"); SENSING TECHNOLOGY EXPORT COMPANY, a Virgin Islands corporation with offices at 55-11 Curacas Gade, St. Thomas, Virgin Islands 00802 ("Export"); QUADTEK, INC., a Washington corporation with offices at 14737 NE 87th Street, Redmond, Washington 98052 ("Quadtek"); and CRT SCIENTIFIC CORPORATION, a New York corporation with offices at 100 IST Center, Horseheads, New York 14845 ("CRT") (the Borrower, Conax, Export, Quadtek and CRT being sometimes hereinafter referred to collectively as the "Debtors").

WHEREAS, the Borrower and the Bank executed an Amended and Restated Loan Agreement dated as of October 14, 1997 (the "Loan Agreement"); and

WHEREAS, among other items, as collateral for the repayment of all indebtedness, liabilities and obligations of the Borrower to the Bank under the Loan Agreement, the Bank received security interests pursuant to (i) a Modified and Restated Security Agreement dated as of March 4, 1996 between the Borrower and the Bank, (ii) a Security Agreement dated as of July 28, 1997 between Conax and the Bank, (iii) a General Loan and Collateral Agreement dated as of August 29, 1990 from Export to the Bank, (iv) a Security Agreement dated as of October 14, 1997 between Quadtek and the Bank, and (v) a Security Agreement dated as of October 14, 1997 between CRT and the Bank, as the foregoing have been previously amended, modified, acknowledged and reaffirmed by the Debtors (each of the foregoing hereinafter referred to collectively as the "Security Agreements"); and

WHEREAS, the Bank and Borrower have entered into an Amended and Restated Loan Agreement dated the date hereof (the "Restated Loan Agreement"); and

WHEREAS, it is a condition precedent to the effectiveness of the Restated Loan Agreement that, among other things, the Debtors shall have executed and delivered this Modification to Security Agreements (All capitalized terms not otherwise defined herein shall have the meaning attributed to them in the Restated Loan Agreement);

NOW, THEREFORE, in order to induce the Bank to enter into the Restated Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtors hereby agree with the Bank as follows:

1. All defined terms used but not otherwise defined herein shall have the meaning set forth in the Restated Loan Agreement.
2. All references in the Security Agreements to any loan agreement between the Borrower and the Bank, as the same may have been previously amended, modified or restated, shall be deemed to refer to the Restated Loan Agreement.

3. The Obligations secured by the Security Agreements shall be deemed to include all indebtedness or liabilities of the Debtors to the Bank pursuant to the Restated Loan Agreement, and all documents executed in connection with the Restated Loan Agreement including (without limitation) the Revolving Credit Note, the Alternative Currency Note, the Term Note, the Letters of Credit and the Corporate Guaranties.

4. The Debtors do hereby represent and warrant, covenant and agree that each of the Debtors have the full power and the corporate authority to execute and deliver this Modification of Security Agreements and this Modification of Security Agreements is enforceable by the Bank in accordance with its terms except as limited by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting generally the enforcement of creditors' rights.


5. Each of the Debtors affirms that (i) it will execute all necessary documents deemed by the Bank in its reasonable judgment to give effect to this Modification of Security Agreements including (without limitation) Financing Statements, (ii) the representations, warranties and covenants of the Debtors applicable to the respective Debtor as set forth in the applicable Security Agreement are true and correct as of the date hereof, and (iii) the Security Agreements remain in full force and effect and continue to grant the security interest in the Collateral (as such term is defined in the Security Agreements).

6. All references in the Security Agreements to "Chemical Bank" or the "Bank" shall be deemed to refer to The Chase Manhattan Bank.

IN WITNESS WHEREOF, the parties have respectfully signed and delivered this Modification to Security Agreements as of the date first written above.

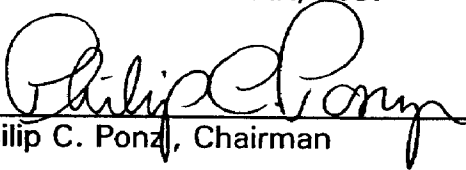
IMAGING AND SENSING TECHNOLOGY
CORPORATION

By:


Philip C. Ponzi, Chairman

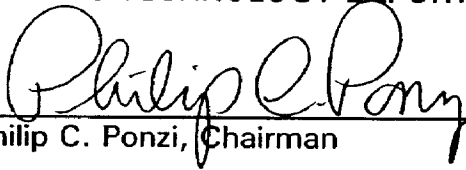
IST CONAX NUCLEAR, INC.

By:


Philip C. Ponzi, Chairman

SENSING TECHNOLOGY EXPORT COMPANY

By:


Philip C. Ponzi, Chairman

QUADTEK, INC.

By: Philip C. Ponzzi
Philip C. Ponzzi, Chairman

CRT SCIENTIFIC CORPORATION

By: Philip C. Ponzzi
Philip C. Ponzzi, Chairman

THE CHASE MANHATTAN BANK

By: Christine M. McLeod
Christine M. McLeod, Vice President

STATE OF NEW YORK)

SS.:

COUNTY OF CHEMUNG)

On the 13th day of June in the year 2000, before me, the undersigned, a notary public in and for said State, personally appeared Philip C. Ponzzi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person on behalf of which the individual(s) acted, executed the instrument.

Leslie W. Kernan, Jr.
Notary Public

LESIE W. KERNAN, JR.
Notary Public in the State of New York
Wayne County
Commission Expires May 31, 20 01

STATE OF NEW YORK)

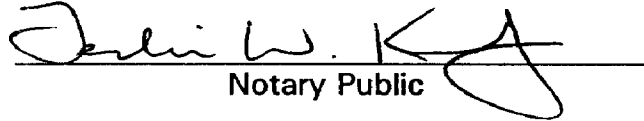
SS.:

COUNTY OF CHEMUNG)

On the 13th day of June in the year 2000, before me, the undersigned, a notary public in and for said State, personally appeared Christine M. McLeod, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that

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he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person on behalf of which the individual(s) acted, executed the instrument.


Notary Public

LESLIE W. KERNAN, JR.
Notary Public State of New York
Was
Commission Expires 01

5-30-00
Modification to Security Agmts
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