

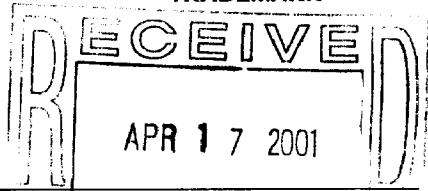
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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY



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

- 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/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- 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

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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)

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.

Diane J. Kasselmann

April 16, 2001

Name of Person Signing

Signature

Date Signed

AMENDED AND RESTATED SECURITY AGREEMENT

among

WIRELESS FACILITIES, INC.,

Each of its Subsidiaries Party Hereto

and

CREDIT SUISSE FIRST BOSTON,
as Collateral Agent

Dated as of February 9, 2001

EXECUTION

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AMENDED AND RESTATED SECURITY AGREEMENT, dated as of February 9, 2001 (hereinafter, this "Agreement"), between WIRELESS FACILITIES, INC., (the "Debtor"), each Subsidiary of Debtor party hereto and CREDIT SUISSE FIRST BOSTON, as collateral agent acting in the manner and to the extent described in Section 9 of the Credit Agreement defined below (the "Collateral Agent") for the benefit of the Secured Parties (as defined below) from time to time party to the Credit Agreement, dated as of August 18, 1999, among, *inter alios*, the Debtor, Credit Suisse First Boston ("CSFB"), as Administrative Agent and Collateral Agent, and the Banks from time to time party thereto (as amended, restated, supplemented or otherwise modified through the date hereof (including without limitation by the Amended and Restated Credit Agreement of even date herewith (the "Amended and Restated Credit Agreement")) and from time to time hereafter, the "Credit Agreement"). Unless otherwise defined herein, terms used herein and defined in the Credit Agreement shall be used herein as so defined.

W I T N E S S E T H:

WHEREAS, the Debtor and Imperial Bank as Administrative Agent, Collateral Agent, Documentation Agent and Banks entered into a credit agreement dated as of August 18, 1999 (the "Original Credit Agreement");

WHEREAS, Debtor and Imperial Bank as then Collateral Agent, acting in the manner and to the extent described in Section 9 of the Original Credit Agreement for the benefit of the Banks, entered into the Security Agreement dated as of August 18, 1999 (the "Original Security Agreement");

WHEREAS, the Original Credit Agreement was amended and restated as of October 15, 1999, December 22, 1999, May 5, 2000 and August 21, 2000 (as so amended and restated, the "Existing Credit Agreement");

WHEREAS, the Borrower, Administrative Agent, Collateral Agent and Banks have agreed to amend the Existing Credit Agreement in certain respects, reflected in the terms of the Amended and Restated Credit Agreement, to, *inter alia*: (i) increase the Total Commitments to \$100,000,000, (ii) evidence the resignation of Imperial Bank as Collateral Agent and Administrative Agent and the appointment of CSFB as its successor and (iii) amend the governing law to that of the State of New York;

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the

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Original Security Agreement and that this Agreement amend and restate in its entirety the Original Security Agreement and re-evidence the Obligations and agreements of the Debtor;

WHEREAS, it is a condition precedent to the effectiveness of the Amended and Restated Credit Agreement that the Debtor and each of its Domestic Subsidiaries (each, a "Grantor" and collectively, the "Grantors") shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each of the Grantors desires to execute this Agreement to satisfy the condition described in the preceding paragraph;

NOW, THEREFORE, in consideration of the benefits to the Grantors, the receipt and sufficiency of which are hereby acknowledged, each of the Grantors hereby makes the following representations and warranties to the Collateral Agent and hereby covenants and agrees with the Collateral Agent as follows:

SECTION 1. DEFINITIONS AND PRINCIPLES OF CONSTRUCTION.

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Accounts" shall mean, as of any date of determination, any "account," as such term is defined in the New York UCC as in effect on such date, now or hereafter owned by any Grantor and, in any event, shall include, but shall not be limited to, all of such Grantor's rights to payment for goods sold or leased or services performed by such Grantor, whether now in existence or arising from time to time hereafter, including, without limitation, rights evidenced by an account, note, contract, security agreement, chattel paper or other evidence of indebtedness or security, together with (i) all security pledged, assigned, hypothecated or granted to or held by such Grantor to secure the foregoing, (ii) all of such Grantor's right, title and interest in and to any goods, the sale of which gave rise thereto, (iii) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, (iv) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith, (v) all books, records, ledger cards, and invoices relating thereto, (vi) all evidences of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties, and certificates from filing or other registration officers, (vii) all credit information, reports and

memoranda relating thereto and (viii) all other writings related in any way to the foregoing.

"Agreement" shall mean this Security Agreement, as modified, supplemented or amended from time to time.

"Chattel Paper" shall mean, as of any date of determination, "chattel paper" as such term is defined in the New York UCC as in effect on such date.

"Collateral" shall have the meaning provided in Section 2.1(a).

"Collateral Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Commercial Tort Claim" shall mean, as of any date of determination, "commercial tort claim" as such term is defined in Revised Article 9, including, without limitation, all commercial tort claims listed on Annex F here (as such annex may be amended or supplemented from time to time).

"Contracts" shall mean all contracts and agreements between any Grantor and one or more additional parties, other than software contracts which prohibit assignment.

"Contract Rights" shall mean all rights of any Grantor (including, without limitation, all rights to payment) under each Contract.

"Copyrights" shall mean any U.S. copyright to which any Grantor now or hereafter has title, as well as any application for a U.S. copyright hereafter made by any Grantor.

"Credit Agreement" shall have the meaning provided in the first paragraph of this Agreement.

"Debtor" shall have the meaning provided in the first paragraph of this Agreement.

"Deposit Account" shall mean, as of any date of determination, "deposit account" as such term is defined in the New York UCC as in effect on such date.

"Documents" shall mean, as of any date of determination, "documents" as such term is defined in the New York UCC as in effect on such date.

"Equipment" shall mean, as of any date of determination, "equipment" as such term is defined in the New York UCC as in effect on such date, now or hereafter owned by any Grantor and, in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, fixtures and vehicles now or hereafter owned by any Grantor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"General Intangibles" shall mean, as of any date of determination, "general intangibles" as such term is defined in the New York UCC as in effect on such date.

"Goods" shall mean, as of any date of determination, "goods" as such term is defined in the New York UCC as in effect on such date.

"Indemnitee" shall have the meaning specified in Section 8.1.

"Instrument" shall mean, as of any date of determination, "instrument" as such term is defined in the New York UCC as in effect on such date.

"Inventory" shall mean, as of any date of determination, "inventory" as such term is defined in the New York UCC as in effect on such date, now or hereafter owned by any Grantor and, in any event, shall include, but shall not be limited to, all raw materials, work-in-process, and finished inventory of any Grantor of every type or description and all documents of title covering such inventory.

"Investment Property" shall mean, as of any date of determination, "investment property" as such term is defined in the New York UCC as in effect on such date.

"Letter of Credit Right" shall mean, as of any date of determination, "letter of credit right" as such term is defined in Revised Article 9.

"Marks" shall mean any trademarks and service marks now held or hereafter acquired by any Grantor, which are registered in the United States Patent and Trademark Office, as well as any unregistered marks used by any Grantor in the

United States and trade dress, including logos and/or designs, in connection with which any of these registered or unregistered marks are used.

"Money" shall mean, as of any date of determination, "money" as such term is defined in the New York UCC as in effect on such date.

"New York UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

"Obligations" shall mean; (i) all indebtedness, obligations and liabilities (including, without limitation, guarantees and other contingent liabilities) of every Grantor to the Secured Parties arising under or in connection with any Credit Document; (ii) any and all sums advanced by the Collateral Agent in order to preserve the Collateral or preserve its security interest in the Collateral; and (iii) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations or liabilities of the Grantors referred to in clause (i), after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable attorneys' fees and court costs. The term "Obligations" shall include all obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code would become due)

"Patents" shall mean any U.S. patent to which any Grantor now or hereafter has title, as well as any application for a U.S. patent now or hereafter made by any Grantor.

"Proceeds" shall mean, as of any date of determination, "proceeds" as such term is defined in the New York UCC as in effect on such date, and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Revised Article 9" shall mean the 1999 Official Text of Article 9 of the Uniform Commercial Code with conforming amendments to Articles 1, 2, 2a, 4,

5, 6, 7 and 8 until such time as a version of such Official Text is adopted in the State of New York and subsequent thereto shall mean the version of such Official Text as adopted.

"Secured Party" shall mean each of the Banks, the Agent, the Collateral Agent and the holders from time to time of the Notes.

"Security Agreement Supplement" shall mean a document in substantially the form provided in Exhibit A hereof.

1.2 Principles of Construction. The provisions of Section 1.2 of the Credit Agreement are by this reference incorporated herein as if such provisions were set forth herein in their entirety except that references (a) to "the Credit Documents" shall be changed to "this Agreement" and (b) to the "Borrower" shall be changed to the "Debtor."

SECTION 2. SECURITY INTERESTS

2.1 Grant of Security Interests.

(a) As security for the prompt and complete payment and performance when due of all of its Obligations, each of the Grantors does hereby grant to the Collateral Agent, for the benefit of the Secured Parties, a continuing security interest in, all of the right, title and interest of each Grantor in, to and under all of the following, whether now existing or hereafter from time to time acquired: (i) each and every Account; (ii) all Contracts, together with all Contract Rights arising thereunder; (iii) all Inventory; (iv) all Equipment; (v) all Marks, together with the registrations and right to all renewals thereof, and the goodwill of the business of any of the Grantors symbolized by the Marks; (vi) all Patents and Copyrights; (vii) all computer programs of any Grantor and all intellectual property rights therein and all other proprietary information of any Grantor, including, but not limited to, trade secrets; (viii) all Letter of Credit Rights; (ix) all Commercial Tort Claims; (x) all Money; (xi) all Deposit Accounts; (xii) all other Goods, General Intangibles, Chattel Paper, Documents, Instruments and Investment Property, and (xiii) all Proceeds and products of any and all of the foregoing (all of the above, collectively, the ("Collateral")).

(b) The security interest of the Collateral Agent under this Agreement extends to all Collateral of the kind described in preceding clause (a)

which any Grantor may acquire at any time during the continuation of this Agreement.

(c) Notwithstanding the foregoing provisions of this Section 2.1, the grant of a security interest as provided herein shall not extend to, and the term "Collateral" shall not include, any Accounts or General Intangibles of any Grantor (whether owned or held as licensee or lessee, or otherwise), to the extent that (i) such Accounts or General Intangibles are not assignable as a matter of law or under the terms of the license, lease or other agreement applicable thereto (but solely to the extent that any such restriction shall be effective under applicable law), without the consent of the Person to whose benefit such restrictions exist, (ii) such consent has not been obtained and (iii) such a grant results in a breach or termination of the terms of, or constitutes a default under or termination of any such license, lease or other agreement; provided, however, that the foregoing grant of security interest shall extend to, and the term "Collateral" shall include, (A) any and all proceeds of any Accounts or General Intangibles which are otherwise excluded to the extent that the assignment or encumbrance of such proceeds is not so restricted, including under Section 9-318 of the New York UCC (or any successor provision or provisions), and (B) upon obtaining the consent of any such licensor, lessor or other applicable party's consent with respect to any such otherwise excluded Accounts or General Intangibles, such Accounts or General Intangibles as well as any and all proceeds thereof that might have theretofore been excluded from such grant of a security interest and the term "Collateral."

2.2 Power of Attorney. Each of the Grantors hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence and during the continuance of an Event of Default (in the name of any of the Grantors or otherwise) to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to any Grantor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be necessary or advisable in the premises, which appointment as attorney is coupled with an interest.

SECTION 3. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each of the Grantors represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

3.1 Necessary Filings. All filings, registrations and recordings necessary or appropriate to create, preserve, protect and perfect the security interest granted by each of the Grantors to the Collateral Agent hereby in respect of the Collateral have been accomplished and the security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral constitutes a valid and enforceable perfected security interest therein superior and prior to the rights of all other Persons therein (other than Liens permitted under Section 7.1 of the Credit Agreement) and subject to no other Liens (except that the Collateral may be subject to Liens permitted under Section 7.1 of the Credit Agreement) and is entitled to all the rights, priorities and benefits afforded by the Uniform Commercial Code or other relevant law as enacted in any relevant jurisdiction to perfected security interests.

3.2 No Liens. Each of the Grantors is, and as to Collateral acquired by it from time to time after the date hereof the applicable Grantor will be, the owner of all Collateral free from any Lien or other right, title or interest of any Person (other than Liens created hereby or permitted under Section 7.1 of the Credit Agreement), and each Grantor shall defend the Collateral owned by it against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the Collateral Agent.

3.3 Other Financing Statements. There is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral except as disclosed in Item 1 of Parts A and B of Schedule 7 to the Credit Agreement and so long as the Commitments have not been terminated or any of the Obligations remain unpaid, no Grantor will execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Grantor and financing statements filed or permitted to be filed in respect of and covering the security interests permitted in Section 7.1 of the Credit Agreement.

3.4 Chief Executive Office; Records. The chief executive office of each of the Grantors is located at Bridge Pointe Corporate Centre, 4810 Eastgate Mall, San Diego, CA 92121 or as otherwise identified in Annex A from time to time. No Grantor will move its chief executive office except to such new location as such Grantor may establish in accordance with the last sentence of this Section 3.4. The jurisdiction of organization of each Grantor is identified in Annex A, as each Grantor may amend from time to time in accordance with the last sentence of this Section 3.4. No Grantor shall establish a new location for its chief executive office or change its name, identity, corporate structure, principal place of business or jurisdiction of organization or establish any trade names unless (a) it shall have given to the Collateral Agent not less than 15 days prior written notice of its intention so to do, clearly describing such change or establishment, identified such new proposed name, identity, corporate structure, jurisdiction of organization, trade name or new location by delivering a Security Agreement Supplement and provided such other information in connection therewith as the Collateral Agent may reasonably request and (b) it shall have taken all action, satisfactory to the Collateral Agent, to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect with the same or better priority.

3.5 Location of Inventory and Equipment. All Inventory and Equipment held on the date hereof by any Grantor in the United States of America or any state or territory thereof is located at one of the locations shown on Annex B. Each Grantor agrees that all Inventory and Equipment now held or subsequently acquired by it shall be kept at (or shall be in transport to) any one of the locations shown on Annex B, or such new location as such Grantor may establish in accordance with the last sentence of this Section 3.5. A Grantor may establish a new location for Inventory and Equipment only if (a) it shall have given to the Collateral Agent prior written notice of its intention so to do, clearly describing such new location by delivering a Security Agreement Supplement and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) with respect to such new location, it shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

3.6 Recourse. This Agreement is made with full recourse to the Grantors and pursuant to and upon all the warranties, representations, covenants and agreements on the part of each Grantor contained herein, in the Credit Agreement and otherwise in writing in connection herewith or therewith.

SECTION 4. SPECIAL PROVISIONS CONCERNING ACCOUNTS; CONTRACT RIGHTS; INSTRUMENTS; INVESTMENT PROPERTY

4.1 **Additional Representations and Warranties.** As of the time when each of its Accounts arises, each Grantor shall be deemed to have represented and warranted that such Account, and all records, papers and documents relating thereto (if any) are genuine and in all respects what they purport to be, and that all papers and documents (if any) relating thereto (a) will represent the genuine, legal, valid and binding obligation of the account debtor evidencing indebtedness unpaid and owed by the respective account debtor arising out of the performance of labor or services or the sale, lease or rental and delivery of the merchandise listed therein, or both, (b) will be the only original writings evidencing and embodying such obligation of the account debtor named therein (other than copies created for general accounting purposes), (c) will evidence true and valid obligations, enforceable in accordance with their respective terms and (d) will be in compliance and will conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

4.2 **Maintenance of Records.** Each Grantor will keep and maintain at its own cost and expense satisfactory and complete records of its Accounts and Contracts, including, but not limited to, the originals of all documentation (including each Contract) with respect thereto, records of all payments received, all credits granted thereon, all merchandise returned and all other dealings therewith, and such Grantor will make the same available to the Collateral Agent for inspection, at such Grantor's own cost and expense, at any and all reasonable times upon demand. Each Grantor shall, at its own cost and expense, deliver all tangible evidence of its Accounts and Contract Rights (including, without limitation, all documents evidencing the Accounts and all Contracts) and such books and records to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Grantor) at any time upon its demand. If the Collateral Agent so directs, a Grantor shall legend, in form and manner reasonably satisfactory to the Collateral Agent, the Accounts and Contracts, as well as books, records and documents of such Grantor evidencing or pertaining to the Accounts or Contracts with an appropriate reference to the fact that the Accounts and Contracts have been collaterally assigned to the Collateral Agent and that the Collateral Agent has a security interest therein.

4.3 Direction to Account Debtors; Contracting Parties; etc.

Each Grantor agrees that, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may, at its option, directly notify the obligors with respect to any Accounts and/or under any Contracts to make payments with respect thereto as directed by the Collateral Agent. The costs and expenses (including reasonable attorneys' fees) of collection, whether incurred by a Grantor or the Collateral Agent, shall be borne by such Grantor.

4.4 Modification of Terms; etc. No Grantor shall rescind or

cancel any indebtedness evidenced by any Account or under any Contract, or modify any term thereof or make any adjustment with respect thereto, or extend or renew the same, or compromise or settle any dispute, claim, suit or legal proceeding relating thereto, or sell any Account or Contract, or interest therein, without the prior written consent of the Required Banks, except as permitted by Section 4.5. Each Grantor will duly fulfill all obligations on its part to be fulfilled under or in connection with the Accounts and Contracts and will do nothing to impair the rights of the Collateral Agent in the Accounts or Contracts.

4.5 Collection. Each Grantor shall endeavor to cause to be

collected from the account debtor named in each of its Accounts or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account or under such Contract, except that, prior to the occurrence of an Event of Default, a Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Accounts and Contracts (a) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Grantor finds appropriate in accordance with sound business judgment and (b) a refund or credit due as a result of returned or damaged merchandise or improperly performed services. The costs and expenses (including, without limitation, reasonable attorneys' fees) of collection whether incurred by a Grantor or the Collateral Agent, shall be borne by such Grantor.

4.6 Instruments. If any Grantor owns or acquires any Instrument,

such Grantor will within three days notify the Collateral Agent thereof, and upon request by the Collateral Agent promptly deliver such Instrument to the Collateral Agent appropriately endorsed to the order of the Collateral Agent as further security hereunder.

4.7 Investment Property. None of the Grantors owns any Investment Property other than those listed in Annex G, as amended from time to time. If a Grantor owns or acquires any other Investment Property, such Grantor will within three days notify the Collateral Agent thereof by delivering a Security Agreement Supplement, and upon request by the Collateral Agent will, as further security hereunder, (a) in the case of a "certificated security" in "bearer form", promptly deliver such certificated security to the Collateral Agent, (b) in the case of a "certificated security" in "registered form", promptly (i) deliver such certificated security together with an endorsement in blank to the Collateral Agent or (ii) cause such certificated security to be registered in the name of the Collateral Agent, (c) in the case of an "uncertificated security", promptly deliver to the Collateral Agent (i) such uncertificated security or (ii) a written acknowledgment from the issuer of such uncertificated security that it will comply with instructions originated by the Collateral Agent without further consent by the registered owner, (d) in the case of a "security entitlement", promptly cause (i) the Collateral Agent to become the "entitlement holder" or (ii) the "securities intermediary" thereof to deliver a written acknowledgment to the Collateral Agent that it will comply with "entitlement orders" originated by the Collateral Agent without further consent by the entitlement holder, (e) in the case of a "commodity contract", promptly cause the "commodity customer" and the "commodity intermediary" to enter into an agreement with the Collateral Agent whereby the commodity intermediary agrees that it will apply any value distributed on account of the commodity contract as directed by the Collateral Agent without further consent by the commodity customer and (f) in the case of a "securities account" or "commodity account", promptly take all action necessary for the Collateral Agent to gain "control" over all "security entitlements" carried in the securities account or "commodity contracts" carried in the commodity account. Terms contained in this Section 4.7 in quotation marks shall have the meanings given thereto in the New York UCC.

4.8 Further Action. Each Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to its Accounts, Contracts, Instruments, Investment Property and other property or rights covered by the security interest hereby granted, as the Collateral Agent may reasonably require.

SECTION 5. SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY

5.1 Additional Representations and Warranties. Each Grantor represents and warrants that it is the true and lawful exclusive owner of the Marks listed in Annex C and that such listed Marks constitute all the marks registered in the United States Patent and Trademark Office that such Grantor now owns or uses in connection with its business. Each Grantor represents and warrants that it is the true and lawful exclusive owner of all rights in the Patents listed in Annex D and in the Copyrights listed in Annex E, that said Patents constitute all the U.S. patents and applications for U.S. patents that such Grantor now owns and that said Copyrights constitute all the U.S. copyrights that such Grantor now owns. Each Grantor represents and warrants that it owns or is licensed to use all Marks that it uses and is licensed to practice under all Patents and Copyrights that it now owns, uses or practices under. Each Grantor further warrants that it is aware of no third party claim that any aspect of such Grantor's present or contemplated business operations infringes or will infringe any Mark, Patent or Copyright.

5.2 Licenses and Assignments. Each Grantor hereby agrees not to divest itself of any right under a Mark, Patent or Copyright, other than licenses and sublicenses granted to others by such Grantor in the ordinary course of such Grantor's business consistent with past practice, absent prior written approval of the Collateral Agent.

5.3 Infringements. Each Grantor agrees, promptly upon learning thereof, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who may be infringing or otherwise violating any of such Grantor's rights in and to any significant Mark, Patent or Copyright or with respect to any party claiming that such Grantor's use of any significant Mark or any practice of any significant Patent or Copyright violates any property right of that party. Each Grantor further agrees, unless otherwise directed by the Collateral Agent, diligently to prosecute any Person infringing any significant Mark, Patent or Copyright.

5.4 Preservation of Marks; Maintenance of Patents. Each Grantor agrees to use its significant Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks of service marks registered under the laws of the United States. At its own expense, each Grantor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each Patent.

5.5 Maintenance of Registration. Each Grantor shall, at its own expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq. to maintain trademark registration, including, but not limited to, affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its registered Marks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and shall pay all fees and disbursements in connection therewith, and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Required Banks. Each Grantor agrees to notify the Collateral Agent six months prior to the dates on which the affidavits of use or the applications for renewal registration are due that the affidavit of use or the renewal is being processed.

5.6 Prosecution of Patent Application. At its own expense, each Grantor shall diligently prosecute all applications for U.S. patents listed on Annex D, and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies, absent written consent of the Collateral Agent.

5.7 Future Registered Marks, Patents and Copyrights. If any mark registration, U.S. patent or U.S. copyright issues hereafter to any Grantor as a result of any application now or hereafter pending before the United States Patent and Trademark Office or the United States Copyright Office, within 30 days of the receipt of such mark, patent or copyright such Grantor shall deliver a copy of the certificate evidencing such mark, patent or copyright, and a grant of security in such mark, patent or copyright to the Collateral Agent, confirming the grant thereof hereunder, the form of such confirmatory grant to be substantially the same as the form hereof.

5.8 Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may, by written notice to any Grantor, take any or all of the following actions: (a) declare the entire right, title and interest of such Grantor in and to each of the Marks, together with all trademark rights and rights of protection to the same, Patents and Copyrights vested, in which event such rights, title and interest shall immediately vest, in the Collateral Agent for the benefit of the Secured Parties, in which case such Grantor agrees to execute an assignment in form and substance satisfactory to the Collateral Agent of all its rights, title and interest in and to the Marks, Patents and Copyrights to the Collateral Agent for the benefit of the Secured Parties; (b) take and use the Marks and/or take and practice the Patents and Copyrights and/or sell the Marks (and the goodwill of such Grantor's business symbolized

by the Marks and the right to carry on the business and use the assets of such Grantor in connection with which the Marks have been used), the Patents and the Copyrights; and (c) direct such Grantor to refrain, in which event such Grantor shall refrain, from using the Marks or practicing the Patents and Copyrights in any manner whatsoever, directly or indirectly, and, if requested by the Collateral Agent, change such Grantor's corporate name to eliminate therefrom any use of any Mark and execute such other and further documents that the Collateral Agent may request to further confirm this and to transfer ownership of the Marks, Patents, Copyrights and registrations and any pending trademark or patent application in the United States Patent and Trademark Office to the Collateral Agent.

SECTION 6. PROVISIONS CONCERNING ALL COLLATERAL

6.1 Protection of Collateral Agent's Security. No Grantor will do anything to impair the rights of the Collateral Agent in the Collateral. Each Grantor will at all times keep its Inventory and Equipment insured in favor of the Collateral Agent, at its own expense, to the Collateral Agent's reasonable satisfaction against fire, theft and all other risks to which such Collateral may be subject; all policies or certificates with respect to such insurance shall be endorsed to the Collateral Agent's reasonable satisfaction for the benefit of the Collateral Agent (including, without limitation, by naming the Collateral Agent as loss payee) and deposited with the Collateral Agent. If any Grantor shall fail to insure such Inventory and Equipment to the Collateral Agent's reasonable satisfaction, or if such Grantor shall fail to so endorse and deposit all policies or certificates with respect thereto, the Collateral Agent shall have the right (but shall be under no obligation) to procure such insurance and such Grantor agrees to reimburse the Collateral Agent for all costs and expenses of procuring such insurance. Following an Event of Default, the Collateral Agent may apply any proceeds of such insurance when received by it toward the payment of any of the Obligations to the extent the same shall then be due. If no Event of Default exists upon the Collateral Agent's receipt of any proceeds of such insurance, the Collateral Agent shall remit proceeds to assist such Grantor with the repair or replacement of the damaged Inventory or Equipment. Each Grantor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Grantor to pay its Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Grantor.

6.2 Warehouse Receipts Non-negotiable. Each Grantor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its Inventory, such warehouse receipt or receipt in the nature thereof shall not be "negotiable" (as such term is used in Section 7104 of the Uniform Commercial Code as in effect in any relevant jurisdiction or under other relevant law).

6.3 Further Actions. Each Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral.

6.4 Financing Statements. Each Grantor agrees to assign and deliver to the Collateral Agent such financing statements, in form acceptable to the Collateral Agent, as the Collateral Agent may from time to time reasonably request or as are necessary or desirable in the opinion of the Collateral Agent to establish and maintain a valid, enforceable, first priority security interest, subject to Permitted Liens, in the Collateral as provided herein and the other rights and security contemplated herein, all in accordance with the Uniform Commercial Code as enacted in any and all relevant jurisdictions or any other relevant law. Each Grantor will pay any applicable filing fees and related expenses. Each Grantor authorizes the Collateral Agent to file any such financing statements without the signature of such Grantor.

SECTION 7. REMEDIES

7.1 Remedies; Obtaining the Collateral Upon Default. Each Grantor agrees that, if any Event of Default shall have occurred and be continuing, then and in every such case, subject to any mandatory requirements of applicable law then in effect, the Collateral Agent, in addition to any rights now or hereafter existing under applicable law, shall have all rights as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(a) personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from such Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon such Grantor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Grantor, and

(b) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Accounts) constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to the Collateral Agent; and

(c) sell, assign or otherwise liquidate, or direct such Grantor to sell, assign or otherwise liquidate, any or all of the Collateral or any part thereof, and take possession of the proceeds of any such sale or liquidation; and

(d) take possession of the Collateral or any part thereof, by directing such Grantor in writing to deliver the same to the Collateral Agent at any place or places designated by the Collateral Agent, in which event such Grantor shall at its own expense:

(i) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent,

(ii) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent as provided in Section 7.2; and

(iii) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that such Grantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Grantor of such obligation.

7.2 Remedies; Disposition of the Collateral. Any Collateral repossessed by the Collateral Agent under or pursuant to Section 7.1, and any other Collateral whether or not so repossessed by the Collateral Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair which the Collateral Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceeding permitted by such requirements shall be made upon not less than 10 days written notice to the applicable Grantor specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 10 days after the giving of such notice, to the right of such Grantor or any nominee of such Grantor to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days written notice to the applicable Grantor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the Collateral Agent's option, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in San Diego, California. To the extent permitted by any such requirement of law, the Collateral Agent on behalf of the Secured Parties may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section 7.2 without accountability to any Grantor (except to the extent of surplus money received as provided in Section 7.4). If, under mandatory requirements of applicable law, the Collateral Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to a Grantor as hereinabove specified, the Collateral Agent need give such Grantor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

7.3 Waiver of Claims. Except as otherwise provided in this Agreement, **EACH GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND**

ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH SUCH GRANTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, and each Grantor hereby further waives, to the extent permitted by law:

(a) all damages occasioned by such taking of possession except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct;

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(c) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof and each Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Grantor.

7.4 Application of Proceeds. The proceeds of any Collateral obtained pursuant to Section 7.1 or disposed of pursuant to Section 7.2 shall be applied as follows:

(a) to the payment of any and all expenses and fees (including reasonable attorneys' fees) incurred by the Collateral Agent in obtaining, taking possession of, removing, insuring, repairing, storing and disposing of Collateral and any and all amounts incurred by the Collateral Agent in connection therewith;

(b) next, any surplus then remaining to the payment of the Obligations in the following order of priority:

- or the Collateral Agent;
- on the Loans;
- the Loans; and
- and
- (i) the fees then owing to the Agent
 - (ii) all accrued and unpaid interest
 - (iii) the principal amount owing on
 - (iv) all other Obligations then owing;

(c) if the Commitments have been terminated and no other Obligations are outstanding, any surplus then remaining shall be paid to the applicable Grantor, subject, however, to the rights of the holder of any then existing Lien of which the Collateral Agent has actual notice (without investigation);

it being understood that each Grantor shall remain liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the sums referred to in clauses (b) and (c) of this Section 7.4 with respect to such Grantor.

7.5 Remedies Cumulative. No failure or delay on the part of the Collateral Agent or any Secured Party in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between any Grantor and the Collateral Agent or any other Secured Party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Collateral Agent or any other Secured Party would otherwise have. No notice to or demand on any Grantor in any case shall entitle such Grantor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Collateral Agent or any other Secured Party to any other or further action in any circumstances without notice or demand.

7.6 Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case each Grantor, the Collateral Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

SECTION 8. INDEMNITY

8.1 Indemnity.

(a) Each of the Grantors agrees to indemnify, reimburse and hold the Collateral Agent, each Secured Party, and their respective officers, directors, employees, representatives and agents (hereinafter in this Section 8.1 referred to individually as "Indemnitee" and collectively as "Indemnitees") harmless from any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements (including reasonable attorneys' fees and expenses) (for the purposes of this Section 8.1 the foregoing are collectively called "expenses") of whatsoever kind or nature which may be imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Agreement, any other Credit Document or the documents executed in connection herewith and therewith or in any other way connected with the administration of the transactions contemplated hereby and thereby or the enforcement of any of the terms of or the preservation of any rights under any thereof, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition or use of the Collateral (including, without limitation, latent or other defects, whether or not discoverable), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee), or for property damage) or any contract claim; provided that no Indemnitee shall be indemnified pursuant to this Section 8.1(a) for expenses to the extent caused by the gross negligence or willful misconduct of such Indemnitee. Each Grantor agrees that upon written notice by any Indemnitee of any assertion that could give rise to an expense, such Grantor shall assume full responsibility for the defense thereof. Each Indemnitee agrees to use its

best efforts to promptly notify the Grantors of any such assertion of which such Indemnitee has knowledge.

(b) Without limiting the application of Section 8.1(a), each Grantor agrees to pay, or reimburse the Collateral Agent for (if the Collateral Agent shall have incurred fees, costs or expenses because any Grantor shall have failed to comply with its obligations under this Agreement or any other Credit Document), any and all reasonable fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Collateral Agent's Liens on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, reasonable premiums for insurance with respect to the Collateral and all other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and the Collateral Agent's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) Without limiting the application of Section 8.1(a) or (b), each Grantor agrees to pay, indemnify and hold each Indemnitee harmless from and against any expenses which such Indemnitee may suffer, expend or incur in consequence of or growing out of any misrepresentation by any Grantor in this Agreement or any of the other Credit Documents or in any statement or writing contemplated by or made or delivered pursuant to or in connection with this Agreement or any of the other Credit Documents.

(d) If and to the extent that the obligations of any Grantor under this Section 8.1 are unenforceable for any reason, each Grantor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

8.2 Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Obligations secured by the Collateral. The indemnity obligations of each Grantor contained in this Section 8 shall continue in full force and effect notwithstanding the full payment of all the Notes issued under the Credit Agreement and all of the other Obligations and notwithstanding the discharge thereof.

SECTION 9. MISCELLANEOUS

9.1 Notices. All notices and other communications hereunder shall be made at the addresses, in the manner and with the effect provided in Section 10.3 of the Credit Agreement.

9.2 Waiver; Amendment. This Agreement may be changed, waived, discharged, or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

9.3 Obligations Absolute. The obligations of each Grantor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (a) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from, any of the Credit Documents or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such instrument or agreement or this Agreement or any exercise or non-exercise of any right, remedy, power or privilege under or in respect of this Agreement or any other Credit Document; (c) any furnishing of any additional security to the Collateral Agent or any acceptance thereof or any sale, exchange, release, surrender or realization of or upon any security by the Collateral Agent; or (d) any invalidity, irregularity or unenforceability of all or part of the Obligations or of any security therefor.

9.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the partners hereto; provided, however, that no Grantor may assign or transfer any of its rights or obligations hereunder without the prior written consent of the Collateral Agent. All agreements, statements, representations and warranties made by any Grantor herein or in any certificate or other instrument delivered by any Grantor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the execution and delivery of this Agreement and the other Credit Documents regardless of any investigation made by the Secured Parties or on their behalf.

(a) **THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.**

(b) **CONSENT TO JURISDICTION. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY GRANTOR ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, AND EACH GRANTOR, BY EXECUTING AND DELIVERING THIS AGREEMENT, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (AND ANY APPELLATE COURTS THEREFROM); (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE GUARANTOR AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 13; (iv) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (iii) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (v) AGREES THAT AGENTS AND BANKS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST BANKS IN THE COURTS OF ANY OTHER JURISDICTION.**

(c) **THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG ANY OF THE GRANT-**

ORS, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT AND THE BANKS ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS RELATED THERETO. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. The Collateral Agent and each of the Grantors each acknowledge that this waiver is a material inducement to enter into a business relationship, that each has already relied on the waiver in entering into this Agreement and the other Credit Documents, and that each will continue to rely on the waiver in their related future dealings. The Collateral Agent and each of the Grantors further warrant and represent that each has reviewed this waiver with its legal counsel, and that each, knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SUBSECTION AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER CREDIT DOCUMENT.** In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

9.6 Grantors' Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of or in connection with this Agreement, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or with respect to any Collateral.

9.7 Termination; Release. After the termination of the Commitments, and when all Obligations have been paid in full, this Agreement shall terminate and the security interest created hereunder shall be released, and the Collateral Agent, at the request and expense of each Grantor, will execute and deliver to any Grantor the proper instruments (including Uniform Commercial Code termination statements on form UCC-3) acknowledging the termination of this Agreement, and will duly assign, transfer and deliver to any Grantor (without recourse and without


any representation or warranty) such of the Collateral as may be in possession of the Collateral Agent and has not theretofore been sold or otherwise applied or released pursuant to this Agreement.

9.8 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

9.9 Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.


WIRELESS FACILITIES, INC.

By 
Name:
Title:

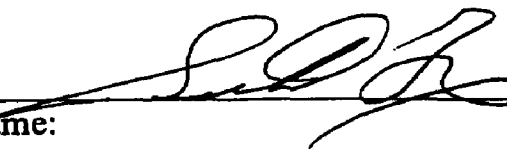
WFI NETWORK MANAGEMENT SERVICES CORP.

By 
Name:
Title:

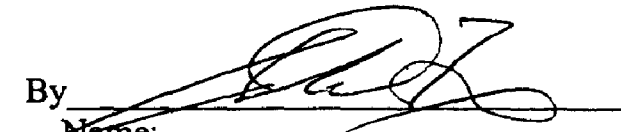
WIRELESS FACILITIES, INC./ENTEL

By 
Name:
Title:

WFI NMC CORP.

By 
Name:
Title:

WFI NMC LP

By 
Name:
Title:

CREDIT SUISSE FIRST BOSTON,
as Collateral Agent

By _____
Name:
Title:

By _____
Name:
Title:

By _____
Name:
Title:

CREDIT SUISSE FIRST BOSTON,
as Collateral Agent

By  _____
Name: ROBERT HETU
Title: DIRECTOR

By  _____
Name: LALITA ADVANI
Title: ASSISTANT VICE PRESIDENT

ANNEX A
TO
SECURITY AGREEMENT

LOCATION OF CHIEF EXECUTIVE OFFICE

For all Grantors:

Bridge Pointe Corporate Centre
4810 Eastgate Mall
San Diego, CA 92121

JURISDICTION OF ORGANIZATION

| <u>Grantor</u> | <u>Jurisdiction of Organization</u> |
|--|-------------------------------------|
| Wireless Facilities, Inc. | Delaware |
| WFI Network Management Services Corp. | Delaware |
| Wireless Facilities, Inc./Entel | Delaware |
| WFI NMC Corp. | Delaware |
| WFI NMC LP | Delaware |

ANNEX B
TO
SECURITY AGREEMENT

SCHEDULE OF EQUIPMENT
AND INVENTORY LOCATIONS

All locations set forth below are leases under which Wireless Facilities, Inc. is the lesser.

| <u>Address</u> | <u>County</u> |
|--|-----------------------------|
| 9605 Scranton Road, Suite 102 San Diego, CA 92121 | San Diego |
| 1840 Michael Faraday Dr., Ste 200 Reston, VA 20190 | Fairfax |
| 141 South Black Horse Place, Ste. 204 Blackwood, NJ 08012 | Camden |
| Coles Hill 432A Coles Road Blackwood, NJ 08012 | Camden |
| 8432 Rovana Circle Sacramento, CA 95828 | Sacramento |
| 3600 Cerrillos Road, Unit 108 Santa Fe, NM 87505-2613 Sacramento | |
| Goethe No.40 Esq. Darwin Col. Azures C.P. 11590 Mexico, D.F. | n/a (Mexico) (Not Grantors) |
| Rue Calceda Das Margaridas Barueri, SP 06400-000 | n/a (Brazil) |

Annex B-1

EXECUTION

TRADEMARK
REEL: 002284 FRAME: 0036

ANNEX C
TO
SECURITY AGREEMENT

UNITED STATES REGISTERED TRADEMARKS

All registered trademarks are owned by Wireless Facilities, Inc.

| TRADEMARK | REG. NO. (APPLN. NO.) | REG. DATE (FILING DATE) | GRANTOR | COMMENTS |
|---|--------------------------|----------------------------|---------------------------|------------|
| THE GLOBAL LEADER IN TELECOM OUTSOURCING | 2424166 (75/543925) | 01/23/01 (08/27/98) | WIRELESS FACILITIES, INC. | REGISTERED |
| WFI | 2333365 (75/743120) | 03/21/00 (07/06/99) | WIRELESS FACILITIES, INC. | REGISTERED |
| WFI | 2333377 (75/744274) | 03/21/00 (07/06/99) | WIRELESS FACILITIES, INC. | REGISTERED |
| WFI & DESIGN | 2412390 (75/862692) | 12/12/00 (12/03/99) | WIRELESS FACILITIES, INC. | REGISTERED |
| WFI & DESIGN | 2412389 (75/862691) | 12/12/00 (12/03/99) | WIRELESS FACILITIES, INC. | REGISTERED |

ANNEX D
TO
SECURITY AGREEMENT

SCHEDULE OF PATENTS AND APPLICATIONS

PATENT

PATENT NO.

ISSUE DATE

All patents and patent applications are owned by Wireless Facilities, Inc.

| TITLE OF PATENT | PATENT NO. (APPLN. NO.) | ISSUE DATE (FILING DATE) | GRANTOR | COMMENTS |
|--|------------------------------------|-------------------------------------|----------------|-----------------------|
| WIRELESS MULTIMEDIA CARRIER SYSTEM | (08/954217) | (10/20/97) | WFI | PENDING |
| INTER-BAND COMMUNICATION REPEATER SYSTEM | (08/905613) | (08/04/97) | WFI | PENDING |
| A UNIVERSAL REPEATER FOR COMMUNICATION SYSTEM | (09/016015) | (01/30/98) | WFI | PENDING |
| WIRELESS T/E TRANSCEIVER FRAME AND SIGNALING CONTROLLER | (08/970729) | (11/14/97) | WFI | PENDING |
| JOINT MAXIMUM LIKELIHOOD FRAME AND TIMING ESTIMATION FOR A DIGITAL RECEIVER | (09/093414) | (06/08/98) | WFI | PENDING |
| FRAME SYNCHRONIZATION AND DETECTION TECHNIQUES SUITED FOR A DIGITAL RECEIVER | (09/111812) | (07/08/98) | WFI | PENDING |
| ELASTIC STORE FOR WIRELESS COMMUNICATIONS SYSTEMS | (08/997150) | (12/23/97) | WFI | PENDING |
| A NON-DATA-AIDED MAXIMUM LIKELIHOOD BASED FEEDFORWARD TIMING SYNCHRONIZATION METHOD | (09/186752) | (11/05/98) | WFI | PENDING |
| A NON-DATA-AIDED FEEDFORWARD TIMING SYNCHRONIZATION METHOD | (09/119327) | (07/20/98) | WFI | PENDING |
| SYSTEM AND METHOD OF PLANNING AND DESIGNING A BROADBAND WIRELESS NETWORK | (60/210941) | (06/12/00) | WFI | PENDING (PROVISIONAL) |
| APPARATUS AND METHOD FOR SIGNAL DETECTION BY BASE STATION IN A MOBILE COMMUNICATION SYSTEM | (09/582002) | N/A | WFI | PENDING |

Annex D-1

EXECUTION

TRADEMARK
REEL: 002284 FRAME: 0038

**ANNEX E
TO
SECURITY AGREEMENT**

LIST OF COPYRIGHTS AND APPLICATIONS

All registered copyrights and copyright applications are owned by Wireless Facilities, Inc.

| TITLE OF WORK | REG. NO. | REG. DATE | GRANTOR | COMMENTS |
|---|-----------|-----------|---------------------------|------------|
| NetOptimizer | TXU937012 | 02/10/00 | Wireless Facilities, Inc. | Registered |
| NetStats: v2.30a/programmed by Artem Koltsov | TXU937013 | 02/10/00 | Wireless Facilities, Inc. | Registered |
| NetView v.3.0 | TXU811915 | 12/03/97 | Wireless Facilities, Inc. | Registered |

Annex E-1

EXECUTION

**TRADEMARK
REEL: 002284 FRAME: 0039**

**ANNEX F
TO
SECURITY AGREEMENT**

LIST OF COMMERCIAL TORT CLAIMS

GRANTOR

DESCRIPTION OF COMMERCIAL TORT CLAIMS

NONE

Annex F-1

EXECUTION

**TRADEMARK
REEL: 002284 FRAME: 0040**

**ANNEX G
TO
SECURITY AGREEMENT**

LIST OF INVESTMENT PROPERTY

GRANTOR

DESCRIPTION OF INVESTMENT PROP-
ERTY

NONE

Annex G-1

EXECUTION

EXHIBIT A
TO
SECURITY AGREEMENT

SECURITY AGREEMENT SUPPLEMENT

This **SECURITY AGREEMENT SUPPLEMENT**, dated [mm/dd/yy], is delivered pursuant to the Security Agreement, dated as of [mm/dd/yy] (as it may be from time to time amended, restated, modified or supplemented, the "**Security Agreement**"), among **WIRELESS FACILITIES, INC.**, the other Grantors named therein, and **CREDIT SUISSE FIRST BOSTON**, as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Security Agreement.

The undersigned Grantor hereby confirms the grant to the Collateral Agent set forth in the Security Agreement of, and does hereby grant to the Collateral Agent, a security interest in all of Grantor's right, title and interest in and to all Collateral to secure the Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached amended Annexes accurately and completely set forth all additional information required pursuant to the Security Agreement and hereby agrees that such amended Annexes shall constitute part of the Security Agreement.

IN WITNESS WHEREOF, Grantor has caused this Security Agreement Supplement to be duly executed and delivered by its duly authorized officer as of [mm/dd/yy].

[NAME OF GRANTOR]

By: _____
Name:
Title:

EXHIBIT A-1

EXECUTION