
SUMITOMO MITSUI BANKING CORPORATION,
as a Lender

By: /s/ David W. Kee

Name: David W. Kee

Title: Managing Director

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**MANUFACTURERS AND TRADERS TRUST
COMPANY,**
as a Lender

By: /s/ R. Mark Swaak

Name: R. Mark Swaak

Title: Vice President

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PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Douglas T. Brown

Name: Douglas T. Brown

Title: Senior Vice President

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THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Laura Gimena

Name: Laura Gimena

Title: Director

For any Lender requiring a second signature block:

By: /s/ Michael Grad

Name: Michael Grad

Title: Associate Director

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CALIFORNIA FIRST NATIONAL BANK,
as a Lender

By: /s/ D.N. Lee

Name: D.N. Lee

Title: S.V.P.

[S-13]

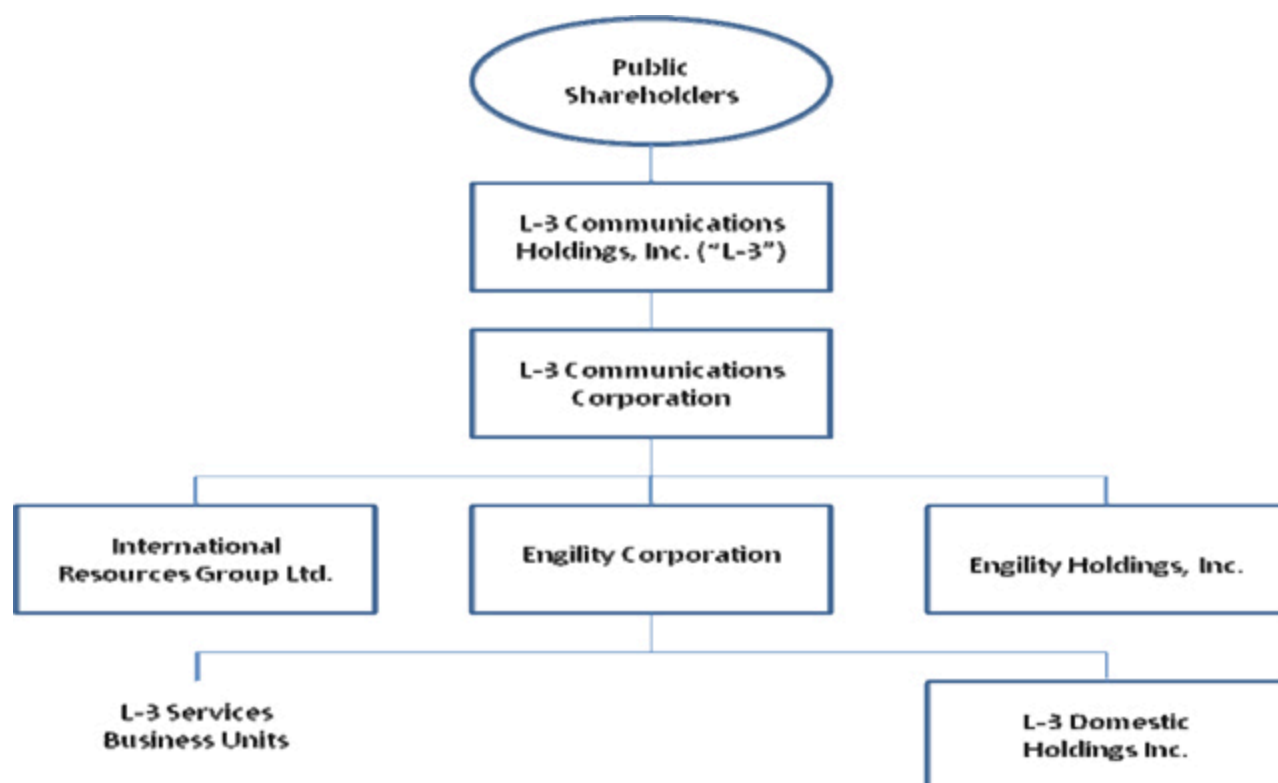
INTERNAL REORGANIZATION

The general terms and conditions relating to the spin-off will be set forth in the Distribution Agreement.

Internal Reorganization

As part of the spin-off, L-3 (as defined in the chart below) will undergo an internal reorganization that will, among other things and subject to limited exceptions: (i) allocate and transfer to Engility Holdings, Inc. (“Holdings”) and its subsidiaries those assets, and allocate and assign responsibility for those liabilities, in respect of the activities of the applicable businesses of such entities and (ii) allocate, transfer and assign, as applicable, those assets and liabilities in respect of other current and former businesses and activities of L-3 and its current and former subsidiaries.

The diagram below shows the structure of L-3’s government services businesses, simplified for illustrative purposes only, prior to the internal reorganization and distribution:

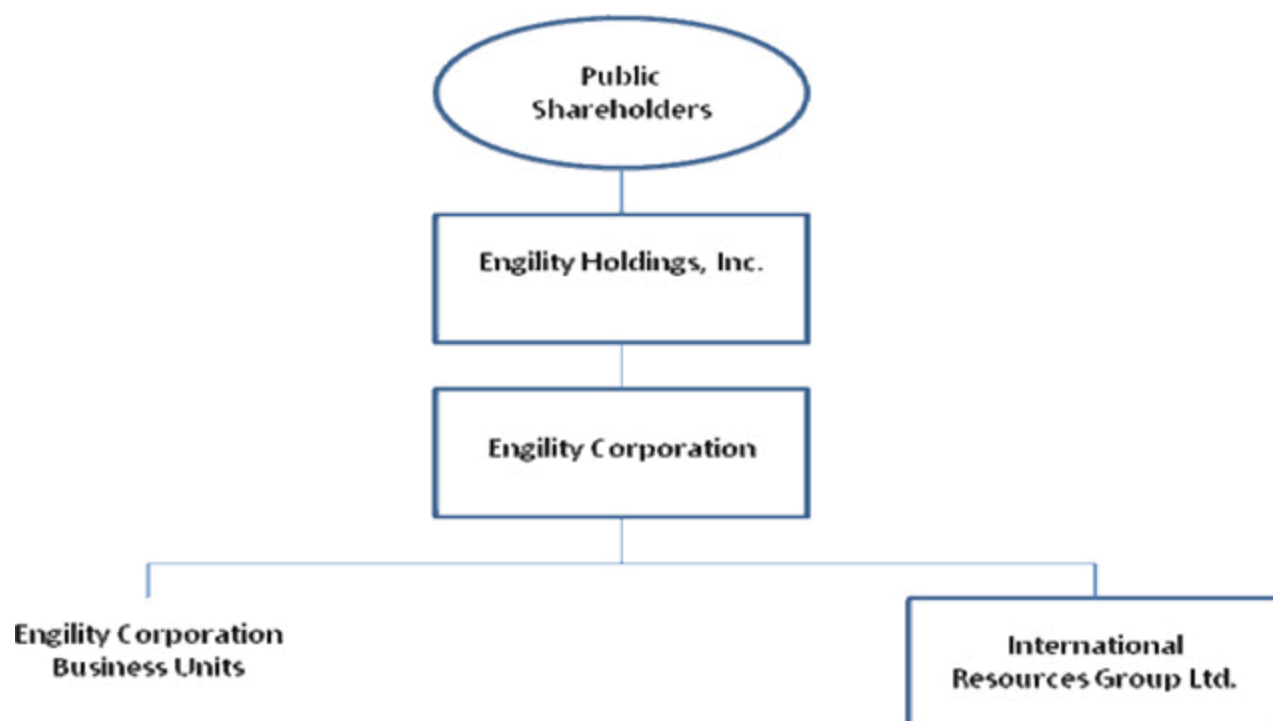


The internal reorganization will be effected by a series of actions, including the following:

- The Borrower, a wholly-owned indirect subsidiary of L-3, will borrow up to \$350 million of indebtedness on the Closing Date and distribute \$335 million of the proceeds of such indebtedness to L-3 Communications Corporation, a wholly-owned subsidiary of L-3;
- The Borrower will distribute all of the issued and outstanding shares of L-3 Domestic Holdings, Inc. to L-3 Communications Corporation;
- L-3 Communications Corporation will contribute all of the issued and outstanding shares of the Borrower and International Resources Group Ltd., an indirect wholly-owned subsidiary of L-3, to Holdings;
- Holdings will contribute all of the issued and outstanding shares of International Resources Group Ltd. to the Borrower;
- L-3 Communications Corporation will distribute all of the issued and outstanding shares of Holdings to L-3.

To complete the spin-off, L-3 will, following the internal reorganization, distribute to its shareholders all of the outstanding shares of Holdings' common stock. On the distribution date, Engility Services Inc., a wholly-owned indirect subsidiary of Holdings, will merge with and into the Borrower with the Borrower being the surviving corporation.

The diagram below shows the structure of Holdings, simplified for illustrative purposes only, after the completion of the spin-off:



SUBSIDIARY GUARANTORS

Subsidiary

International Resources Group Ltd.

**Jurisdiction of
Incorporation or
Formation**

Delaware

EXISTING LETTER OF CREDIT

<u>Letter of Credit No.</u>	<u>Issue Date</u>	<u>Expiry Date</u>	<u>Amount</u>	<u>Beneficiary</u>
3125107	07/05/12	03/02/13	\$50,264.85	Samba Financial Group

Schedule 2.01**Commitments and Applicable Percentages****Term Loan Commitments**

<u>Lender</u>	<u>Term Loan Commitment</u>	<u>Applicable Percentage</u>
Bank of America, N.A.	\$111,857,512.64	33.390302281%
Barclays Bank PLC	\$ 22,950,000.00	6.850746269%
Credit Agricole Corporate & Investment Bank	\$ 26,949,579.12	8.044650484%
Regions Bank	\$ 26,949,579.12	8.044650484%
Suntrust Bank	\$ 26,949,579.12	8.044650484%
Capital One, N.A.	\$ 27,218,750.00	8.125000000%
Sumitomo Mitsui Banking Corporation	\$ 27,218,750.00	8.125000000%
Manufacturers and Traders Trust Company	\$ 27,218,750.00	8.125000000%
PNC Bank, National Association	\$ 16,750,000.00	5.000000000%
The Bank of Nova Scotia	\$ 16,750,000.00	5.000000000%
California First National Bank	\$ 4,187,500.00	1.250000000%
Total	<u>\$335,000,000.00</u>	<u>100.000000000%</u>