

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 27, 2005

SIGA Technologies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	0-23047	13-3864870
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(State or other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

420 Lexington Avenue, Suite 408, New York, New York	10170
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(Address of Principal Executive Offices)	(Zip Code)

(212) 672-9100

(Registrant's telephone number, including area code)

ITEM 1.01. Entry Into A Material Definitive Agreement

On April 27, 2005, SIGA Technologies, Inc., a Delaware corporation ("SIGA"), entered into a Service Agreement, dated as of April 27, 2005, between SIGA and TransTech Pharma, Inc., a Delaware corporation ("TransTech"), a copy of which is filed herewith as Exhibit 10.1. The Service Agreement provides that TransTech shall provide assistance with the pre-IND toxicology and safety pharmacology and chemical manufacturing and control studies required for SIGA's IND application for a proprietary compound. TransTech is a significant stockholder of SIGA, and the President and Chief Executive Officer of TransTech is a member of SIGA's board of directors. In addition, SIGA and TransTech are parties to a drug discovery collaboration agreement.

On April 29, 2005, SIGA entered into a Master Security Agreement, dated as of April 29, 2005, between General Electric Capital Corporation ("GE") and SIGA, a copy of which is filed herewith as Exhibit 10.2. Under the Master Security Agreement, SIGA will grant to GE a security interest in and against certain property to secure equipment financed through GE. As of the date hereof, no equipment has been so financed.

ITEM 9.01. Financial Statements and Exhibits

(c) Exhibits

Exhibit No.	Description
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10.1	Service Agreement, dated as of April 27, 2005, between SIGA Technologies, Inc. and TransTech Pharma, Inc.
10.2	Master Security Agreement, dated as of April 29, 2005, between General Electric Capital Corporation and SIGA Technologies, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SIGA TECHNOLOGIES, INC.

By: /s/ Thomas N. Konatich

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Thomas N. Konatich  
Chief Financial Officer

Date: May 3, 2005

EXHIBIT INDEX

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Exhibit No. -----	Description -----
10.1	Service Agreement, dated as of April 27, 2005, between SIGA Technologies, Inc. and TransTech Pharma, Inc.
10.2	Master Security Agreement, dated as of April 29, 2005, between General Electric Capital Corporation and SIGA Technologies, Inc.

## SERVICE AGREEMENT

This SERVICE AGREEMENT ("Agreement") is made effective on April 27, 2005, by and between SIGA Technologies, Inc., with an address at 4575 SW Research Way, Suite 230, Corvallis, OR 97333 ("SIGA") and TransTech Pharma, Inc., with a place of business at 4170 Mendenhall Oaks Parkway, Suite 110, High Point, NC 27265 ("TransTech").

WHEREAS, SIGA seeks assistance with pre-IND toxicology and safety pharmacology and chemical manufacturing and control studies required for SIGA's IND application for its proprietary SIGA-246 compound (hereafter, "Studies");

WHEREAS, TransTech is able to design and implement IND-enabling Studies to support SIGA's submission of an IND application for SIGA's SIGA-246 compound and provide assistance to obtain services of other commercial research organizations for completion of the required Studies for SIGA's IND submission; and

WHEREAS, SIGA desires and TransTech is willing to provide SIGA with certain services related to completion of the Studies in accordance with the terms and conditions specified herein.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SIGA and TransTech, intending to be legally bound, agree as follows:

1. SERVICES  
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- 1.1 Subject to the terms hereof, TransTech shall design, implement and complete certain Studies and other activities specified in the attached Exhibit A, which may be updated periodically upon the written agreement of both parties. TransTech shall use commercially reasonable efforts to complete the Studies in the time frames set forth on Exhibit A. There shall be a separate written agreement between SIGA and any third parties used to complete the Studies listed in Exhibit A.
- 1.2 TransTech shall seek competitive bids from other commercial research organizations which can perform those Studies listed in the attached Exhibit B. Upon receipt, TransTech shall submit such competitive bids to the attention of Dr. Dennis Hruby of SIGA for his consideration. There shall be a separate written agreement between SIGA and each third party used for performance of the Studies listed in Exhibit B.
- 1.3 TransTech shall provide SIGA with monthly reports summarizing all activities and progress regarding the Studies and those activities completed (hereinafter "Monthly Reports"). TransTech shall also conduct weekly teleconferences with SIGA representatives regarding the status of the Studies.

2. RIGHTS  
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- 2.1 All proprietary and Intellectual Property rights, including patents, patent applications, trademarks, copyrights, trade secrets, and know-how in or relating to the SIGA-246 compound are owned exclusively by SIGA.
- 2.2 Any improvements to or derivations of the SIGA-246 compound made by TransTech, whether patented or not, shall be owned by and promptly assigned to SIGA.
- 2.3 TransTech shall not transfer the SIGA-246 compound, or any part of it to any third party without the prior written consent of SIGA. TransTech shall use the SIGA-246 compound only for the Studies designated to be completed by TransTech in Exhibit A.
- 2.4 TransTech will comply with all federal, state and local laws, regulations and ordinances in the performance of the Studies and other services specified herein.
- 2.5 Each party acknowledges that this Agreement grants no right to the other party under any patents owned or licensed by either party, except as described herein and to the extent that such rights are required to carry out the Studies. Each party also acknowledges that this Agreement likewise grants no right to use any information, know-how, or data that is

proprietary to the other party, except for the purposes of the stated Studies.

- 2.6 The provisions of this section shall survive the expiry or termination of this Agreement.

3. PRICE AND PAYMENT

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- 3.1 In consideration for the services listed in Section 1, SIGA shall pay TransTech on an hourly or unit cost basis, as set forth in Exhibit C. TransTech agrees that it shall not exceed a total aggregate cost of \$168,000 for the Studies (the "Aggregate Limit"), without the prior approval of SIGA. In the event that during the course of performing the Studies TransTech anticipates the Aggregate Limit will be exceeded, TransTech will inform SIGA, and will cease performance of TransTech's services when the Aggregate Limit is reached unless SIGA approves any additional costs. SIGA shall pay TransTech within thirty (30) days of receipt of an invoice.

4. WARRANTIES AND REPRESENTATIONS

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- 4.1 TransTech warrants that those Studies and responsibilities designated to be completed by TransTech in Exhibit A will be performed diligently and in a professional manner consistent with TransTech's provision of similar services to itself, or its subsidiaries or affiliates. In the event that there is a breach of this warranty provision, TransTech shall, upon request by SIGA, perform again the Studies in question at no cost to SIGA.

TRANSTECH EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF COMMERCIAL VIABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OF ANY TRANSTECH SERVICE. THIS DISCLAIMER EXTENDS TO ALL SERVICES, DATA AND REPORTS PRODUCED BY TRANSTECH. TRANSTECH MAKES NO WARRANTY AS TO THE QUALITY, SUITABILITY, OR ADEQUACY OF THE SERVICES OR PRODUCTS FOR ANY PURPOSE OR USE.

IN NO EVENT SHALL TRANSTECH HAVE ANY LIABILITY UNDER THIS AGREEMENT OR OTHERWISE ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OR FAILURE TO PERFORM, SERVICES FOR LOSS OF ANTICIPATED PROFITS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER OR NOT TRANSTECH WAS INFORMED OF THE POSSIBILITY OF THE EXISTENCE OF SUCH DAMAGES. IN NO EVENT SHALL TRANSTECH HAVE ANY LIABILITY HEREUNDER IN AN AGGREGATE AMOUNT EXCEEDING THE TOTAL AMOUNT PAID TO TRANSTECH UNDER THIS AGREEMENT.

- 4.2 TransTech shall use its best efforts to obtain competitive bids for those Studies listed in Exhibit B.
- 4.3 SIGA has full responsibility for all business, financial and other decisions concerning its operations, including whether, how and to the extent SIGA utilizes the deliverables, results and reports generated from the Studies done for SIGA's IND-submission.
- 4.4 SIGA shall defend, indemnify and hold harmless TransTech and its officers, directors, employees, consultants and agents ("Indemnitees") from and against all damages, liabilities, losses, fines, penalties, settlements, costs and expenses of any kind and nature (including, without limitation, reasonable attorneys fees and court costs), incurred in connection with any claim, demand, proceeding, action, hearing or investigation (a "Claim") relating to or arising from the Agreement or the services performed by TransTech under the Agreement, except to the extent that: (i) such liability arises from the gross negligence or intentional misconduct of TransTech; or (ii) such Claim is made by an employee of TransTech arising from work performed by such employee in connection with this Agreement.
5. CONFIDENTIALITY  
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- 5.1 All information relating to SIGA's SIGA-246 compound, any analytical methods, trade secrets and know-how disclosed to TransTech by SIGA for use with the SIGA-246 compound, the results of the Studies, and all related reports are the confidential and proprietary information of SIGA (the "SIGA Information").
- 5.2 TransTech shall not disclose the SIGA Information to any third party or use the SIGA Information for TransTech's direct or indirect benefit or the direct or indirect benefit of any third party, except as expressly permitted hereunder.
- 5.3 TransTech shall disclose the SIGA Information only to the minimum number of its employees requiring such access in order to perform the Studies, inform such employees of the proprietary nature of the SIGA Information, and take reasonable precautions, at least as stringent as those observed by TransTech to protect its own proprietary information, to ensure that such employees observe the confidentiality obligations of TransTech hereunder.
- 5.4 The SIGA Information is and shall remain the property of SIGA and may be covered by claims of U.S. and international patents or patent applications of SIGA.
- 5.5 TransTech will either destroy or return all SIGA Information, as instructed by SIGA, upon completion of all Studies, or the written request of SIGA.

5.6 SIGA Information shall not include:

- (a) information which at the time of disclosure is in the public domain; provided that, specific information disclosed as part of the SIGA Information shall not be deemed to be in the public domain merely because it is embraced by more general information in the public domain; or
- (b) information which, after disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by TransTech or by any of TransTech's employees; or
- (c) information which TransTech shall receive from a third party who has the right to disclose it to TransTech; provided that such information was not obtained by such third party, directly or indirectly, from SIGA under a confidentiality agreement with SIGA; or
- (d) information that is independently developed by TransTech without reference to the SIGA Information.

5.7 The provisions of this section shall survive the expiry or termination of this Agreement.

6. TERM AND TERMINATION

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6.1 This Agreement shall remain in effect until SIGA's IND application for SIGA-246 has been accepted or finally rejected by the Food and Drug Administration, or until terminated pursuant to Section 6.2 herein.

6.2 Either party may terminate this Agreement by providing the other party with thirty (30) days' written notice. Upon the effective date of such termination, all activities associated with the services specified in Section 1 herein shall cease. SIGA shall promptly pay TransTech for all work performed up to the effective date of such termination.

7. MISCELLANEOUS

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7.1 This Agreement shall not be assigned or otherwise transferred by either party without the prior written consent of the other party.

7.2 This Agreement shall be governed by the laws of the State of New York without regard to the principles of conflict-of-law doctrines of New York or any other jurisdiction. Any action or proceeding brought by either party against the other shall be brought in a state or federal court located in New York.

7.3 This Agreement contains the entire agreement between the parties and supersedes all prior agreements, written or oral, with respect to the subject matter hereof.

7.4 TransTech's completion of the Studies or successful search for third parties to complete the Studies required for SIGA's SIGA-246 IND submission does not obligate SIGA to use TransTech for any subsequent services, whether related to SIGA-246 or any other SIGA compound.

- 7.5 This Agreement shall not be amended, modified, varied or supplemented except in writing signed by duly authorized representatives of both parties.
- 7.6 No failure or delay on the part of either party hereto to exercise any right or remedy under this Agreement shall be construed or operated as a waiver thereof nor shall any single or partial exercise of any right or remedy under this Agreement preclude the exercise of any other right or remedy or preclude the further exercise of such right or remedy as the case may be. The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.
- 7.7 The parties do not intend that any agency or partnership relationship be created between them by this Agreement. The parties shall be and shall act at all times as independent contractors, and at no time shall either party make any commitments or incur any charges or expenses for or in the name of the other party.
- 7.8 Neither party shall be liable for the failure to perform its obligations under this Agreement if such failure is occasioned by a contingency beyond such party's reasonable control, including but not limited to strikes or labor disturbances, lockouts, riots, wars, terrorist activities, fires, floods, earthquakes, storms or inability to obtain materials or services.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SIGA TECHNOLOGIES, INC.

TRANSTECH PHARMA, INC.

By: /s/ Bernard L. Kasten, M.D.

By: /s/ Stephen J. Ireland

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Bernard L. Kasten, M.D.  
Chief Executive Officer

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Stephen J. Ireland  
S.V.P. Business Development

MASTER SECURITY AGREEMENT  
dated as of April 29, 2005 ("Agreement")

THIS AGREEMENT is between General Electric Capital Corporation (together with its successors and assigns, if any, "Secured Party") and SIGA Technologies, Inc. ("Debtor"). Secured Party has an office at 83 Wooster Heights Road, Danbury, CT 06810. Debtor is a corporation organized and existing under the laws of the state of Delaware ("the State"). Debtor's mailing address and chief place of business is 420 Lexington Avenue, Suite 601, New York, NY 10170.

1. CREATION OF SECURITY INTEREST.

Debtor grants to Secured Party, its successors and assigns, a security interest in and against all property listed on any collateral schedule now or in the future annexed to or made a part of this Agreement ("Collateral Schedule"), and in and against all additions, attachments, accessories and accessions to such property, all substitutions, replacements or exchanges therefor, and all insurance and/or other proceeds thereof (all such property is individually and collectively called the "Collateral"). This security interest is given to secure the payment and performance of all debts, obligations and liabilities of any kind whatsoever of Debtor to Secured Party, now existing or arising in the future, including but not limited to the payment and performance of certain Promissory Notes from time to time identified on any Collateral Schedule (collectively "Notes" and each a "Note"), and any renewals, extensions and modifications of such debts, obligations and liabilities (such Notes, debts, obligations and liabilities are called the "Indebtedness").

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR.

Debtor represents, warrants and covenants as of the date of this Agreement and as of the date of each Collateral Schedule that:

(a) Debtor's exact legal name is as set forth in the preamble of this Agreement and Debtor is, and will remain, duly organized, existing and in good standing under the laws of the State set forth in the preamble of this Agreement, has its chief executive offices at the location specified in the preamble, and is, and will remain, duly qualified and licensed in every jurisdiction wherever necessary to carry on its business and operations;

(b) Debtor has adequate power and capacity to enter into, and to perform its obligations under this Agreement, each Note and any other documents evidencing, or given in connection with, any of the Indebtedness (all of the foregoing are called the "Debt Documents");

(c) This Agreement and the other Debt Documents have been duly authorized, executed and delivered by Debtor and constitute legal, valid and binding agreements enforceable in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws;

(d) No approval, consent or withholding of objections is required from any governmental authority or instrumentality with respect to the entry into, or performance by Debtor of any of the Debt Documents, except any already obtained;

(e) The entry into, and performance by, Debtor of the Debt Documents will not (i) violate any of the organizational documents of Debtor or any judgment, order, law or regulation applicable to Debtor, or (ii) result in any breach of or constitute a default under any contract to which Debtor is a party, or result in the creation of any lien, claim or encumbrance on any of Debtor's property (except for liens in favor of Secured Party) pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other agreement or instrument to which Debtor is a party;

(f) There are no suits or proceedings pending in court or before any commission, board or other administrative agency against or affecting Debtor which could, in the aggregate, have a material adverse effect on Debtor, its business or operations, or its ability to perform its obligations under the Debt Documents, nor does Debtor have reason to believe that any such suits or proceedings are threatened;

(g) All financial statements delivered to Secured Party in connection with the Indebtedness have been prepared in accordance with generally accepted accounting principles, and since the date of the most recent financial statement, there has been no material adverse change in Debtors financial

condition;

(h) The Collateral is not, and will not be, used by Debtor for personal, family or household purposes;

(i) The Collateral is, and will remain, in good condition and repair and Debtor will not be negligent in its care and use;

(j) Debtor is, and will remain, the sole and lawful owner, and in possession of, the Collateral, and has the sole right and lawful authority to grant the security interest described in this Agreement;

(k) The Collateral is, and will remain, free and clear of all liens, claims and encumbrances of any kind whatsoever, except for (i) liens in favor of Secured Party, (ii) liens for taxes not yet due or for taxes being contested in good faith and which do not involve, in the judgment of Secured Party, any risk of the sale, forfeiture or loss of any of the Collateral, and (iii) inchoate materialmen's, mechanic's, repairmen's and similar liens arising by operation of law in the normal course of business for amounts which are not delinquent (all of such liens are called "Permitted Liens"); and

(l) Debtor is and will remain in full compliance with all laws and regulations applicable to it including, without limitation, (i) ensuring that no person who owns a controlling interest in or otherwise controls Debtor is or shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

### 3. COLLATERAL.

(a) Until the declaration of any default, Debtor shall remain in possession of the Collateral; except that Secured Party shall have the right to possess (i) any chattel paper or instrument that constitutes a part of the Collateral, and (ii) any other Collateral in which Secured Party's security interest may be perfected only by possession. Secured Party may inspect any of the Collateral during normal business hours after giving Debtor reasonable prior notice. If Secured Party asks, Debtor will promptly notify Secured Party in writing of the location of any Collateral.

(b) Debtor shall (i) use the Collateral only in its trade or business, (ii) maintain all of the Collateral in good operating order and repair, normal wear and tear excepted, (iii) use and maintain the Collateral only in compliance with manufacturers recommendations and all applicable laws, and (iv) keep all of the Collateral free and clear of all liens, claims and encumbrances (except for Permitted Liens).

(c) Secured Party does not authorize and Debtor agrees it shall not (i) part with possession of any of the Collateral (except to Secured Party or for maintenance and repair), (ii) remove any of the Collateral from the continental United States, or (iii) sell, rent, lease, mortgage, license, grant a security interest in or otherwise transfer or encumber (except for Permitted Liens) any of the Collateral.

(d) Debtor shall pay promptly when due all taxes, license fees, assessments and public and private charges levied or assessed on any of the Collateral, on its use, or on this Agreement or any of the other Debt Documents. At its option, Secured Party may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the maintenance, insurance and preservation of the Collateral and effect compliance with the terms of this Agreement or any of the other Debt Documents. Debtor agrees to reimburse Secured Party, on demand, all costs and expenses incurred by Secured Party in connection with such payment or performance and agrees that such reimbursement obligation shall constitute Indebtedness.

(e) Debtor shall, at all times, keep accurate and complete records of the Collateral, and Secured Party shall have the right to inspect and make copies of all of Debtor's books and records relating to the Collateral during normal business hours, after giving Debtor reasonable prior notice.

(f) Debtor agrees and acknowledges that any third person who may at any time possess all or any portion of the Collateral shall be deemed to hold, and shall hold, the Collateral as the agent of, and as pledge holder for, Secured Party. Secured Party may at any time give notice to any third person described in the preceding sentence that such third person is holding the Collateral as the agent of, and as pledge holder for, the Secured Party.

### 4. INSURANCE.

(a) Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever.

(b) Debtor agrees to keep the Collateral insured against loss or damage by fire and extended coverage perils, theft, burglary, and for any or all Collateral which are vehicles, for risk of loss by collision, and if requested by Secured Party, against such other risks as Secured Party may reasonably require. The insurance coverage shall be in an amount no less than the full replacement value of the Collateral, and deductible amounts, insurers and policies shall be acceptable to Secured Party. Debtor shall deliver to Secured Party policies or certificates of insurance evidencing such coverage. Each policy shall name Secured Party as a loss payee, shall provide for coverage to Secured Party regardless of the breach by Debtor of any warranty or representation made therein, shall not be subject to co-insurance, and shall provide that coverage may not be canceled or altered by the insurer except upon thirty (30) days prior written notice to Secured Party. Debtor appoints Secured Party as its attorney-in-fact to make proof of loss, claim for insurance and adjustments with insurers, and to receive payment of and execute or endorse all documents, checks or drafts in connection with insurance payments. Secured Party shall not act as Debtor's attorney-in-fact unless Debtor is in default. Proceeds of insurance shall be applied, at the option of Secured Party, to repair or replace the Collateral or to reduce any of the Indebtedness.

#### 5. REPORTS.

(a) Debtor shall promptly notify Secured Party of (i) any change in the name of Debtor, (ii) any change in the state of its incorporation, organization or registration, (iii) any relocation of its chief executive offices, (iv) any relocation of any of the Collateral, (v) any of the Collateral being lost, stolen, missing, destroyed, materially damaged or worn out, or (vi) any lien, claim or encumbrance other than Permitted Liens attaching to or being made against any of the Collateral. (b) Debtor will deliver to Secured Party financial statements as follows. If Debtor is a privately held company, then Debtor agrees to provide monthly financial statements, certified by Debtor's president or chief financial officer including a balance sheet, statement of operations and cash flow statement within 30 days of each month end and its complete audited annual financial statements, certified by a recognized firm of certified public accountants, within 120 days of fiscal year end or at such time as Debtor's Board of Directors receives the audit. If Debtor is a publicly held company, then Debtor agrees to provide quarterly unaudited statements and annual audited statements, certified by a recognized firm of certified public accountants, within 10 days after the statements are provided to the Securities and Exchange Commission ("SEC"). All such statements are to be prepared using generally accepted accounting principles ("GAAP") and, if Debtor is a publicly held company, are to be in compliance with SEC requirements.

#### 6. FURTHER ASSURANCES.

(a) Debtor shall, upon request of Secured Party, furnish to Secured Party such further information, execute and deliver to Secured Party such documents and instruments (including, without limitation, Uniform Commercial Code financing statements) and shall do such other acts and things as Secured Party may at any time reasonably request relating to the perfection or protection of the security interest created by this Agreement or for the purpose of carrying out the intent of this Agreement. Without limiting the foregoing, Debtor shall cooperate and do all acts deemed necessary or advisable by Secured Party to continue in Secured Party a perfected first security interest in the Collateral, and shall obtain and furnish to Secured Party any

subordinations, releases, landlord waivers, lessor waivers, mortgagee waivers, or control agreements, and similar documents as may be from time to time requested by, and in form and substance satisfactory to, Secured Party.

(b) Debtor authorizes Secured Party to file a financing statement and amendments thereto describing the Collateral and containing any other information required by the applicable Uniform Commercial Code. Debtor irrevocably grants to Secured Party the power to sign Debtor's name and generally to act on behalf of Debtor to execute and file applications for title, transfers of title, financing statements, notices of lien and other documents pertaining to any or all of the Collateral; this power is coupled with Secured Party's interest in the Collateral. Debtor shall, if any certificate of title be required or permitted by law for any of the Collateral, obtain and promptly deliver to Secured Party such certificate showing the lien of this Agreement with respect to the Collateral. Debtor ratifies its prior authorization for Secured Party to file financing statements and amendments thereto describing the Collateral and containing any other information required by the Uniform Commercial Code if filed prior to the date hereof.

(c) Debtor shall indemnify and defend the Secured Party, its successors and assigns, and their respective directors, officers and employees, from and against all claims, actions and suits (including, without limitation, related attorneys' fees) of any kind whatsoever arising, directly or indirectly, in connection with any of the Collateral.

## 7. DEFAULT AND REMEDIES.

(a) Debtor shall be in default under this Agreement and each of the other Debt Documents if:

(i) Debtor breaches its obligation to pay when due any installment or other amount due or coming due under any of the Debt Documents and fails to cure the breach within ten (10) days;

(ii) Debtor, without the prior written consent of Secured Party, attempts to or does sell, rent, lease, license, mortgage, grant a security interest in, or otherwise transfer or encumber (except for Permitted Liens) any of the Collateral;

(iii) Debtor breaches any of its insurance obligations under Section 4;

(iv) Debtor breaches any of its other obligations under any of the Debt Documents and fails to cure that breach within thirty (30) days after written notice from Secured Party;

(v) Any warranty, representation or statement made by Debtor in any of the Debt Documents or otherwise in connection with any of the Indebtedness shall be false or misleading in any material respect;

(vi) Any of the Collateral is subjected to attachment, execution, levy, seizure or confiscation in any legal proceeding or otherwise, or if any legal or administrative proceeding is commenced against Debtor or any of the Collateral, which in the good faith judgment of Secured Party subjects any of the Collateral to a material risk of attachment, execution, levy, seizure or confiscation and no bond is posted or protective order obtained to negate such risk;

(vii) Debtor breaches or is in default under any other agreement between Debtor and Secured Party;

(viii) Debtor or any guarantor or other obligor for any of the Indebtedness (collectively "Guarantor") dissolves, terminates its existence, becomes insolvent or ceases to do business as a going concern;

(ix) If Debtor or any Guarantor is a natural person, Debtor or any such Guarantor dies or becomes incompetent;

(x) A receiver is appointed for all or of any part of the property of Debtor or any Guarantor, or Debtor or any Guarantor makes any assignment for the benefit of creditors;

(xi) Debtor or any Guarantor files a petition under any bankruptcy, insolvency or similar law, or any such petition is filed against Debtor or any Guarantor and is not dismissed within forty-five (45) days;

(xii) Debtor's improper filing of an amendment or termination statement relating to a filed financing statement describing the Collateral;

(xiii) There is a material adverse change in the Debtor's financial condition as determined solely by Secured Party;

(xiv) Any Guarantor revokes or attempts to revoke its guaranty of any of the Indebtedness or fails to observe or perform any covenant, condition or agreement to be performed under any guaranty or other related document to which it is a party;

(xv) Debtor defaults under any other material obligation for (A) borrowed money, (B) the deferred purchase price of property or (C) payments due under any lease agreement; or

(xvi) At any time during the term of this Agreement Debtor sells more than 50% of its interest in the company to another corporation or business or all or substantially all of its assets without Secured Party's prior written consent.

(b) If Debtor is in default, the Secured Party, at its option, may declare any or all of the Indebtedness to be immediately due and payable, without demand or notice to Debtor or any Guarantor. The accelerated obligations and liabilities shall bear interest (both before and after any judgment) until paid in full at the lower of eighteen percent (18%) per annum or the maximum rate not prohibited by applicable law.

(c) After default, Secured Party shall have all of the rights and remedies of a Secured Party under the Uniform Commercial Code, and under any other applicable law. Without limiting the foregoing, Secured Party shall have the right to (i) notify any account debtor of Debtor or any obligor on any instrument which constitutes part of the Collateral to make payment to the Secured Party, (ii) with or without legal process, enter any premises where the Collateral may be and take possession of and remove the Collateral from the premises or store it on the premises, (iii) sell the Collateral at public or private sale, in whole or in part, and have the right to bid and purchase at said sale, or (iv) lease or otherwise dispose of all or part of the Collateral,

applying proceeds from such disposition to the obligations then in default. If requested by Secured Party, Debtor shall promptly assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party may also render any or all of the Collateral unusable at the Debtor's premises and may dispose of such Collateral on such premises without liability for rent or costs. Any notice that Secured Party is required to give to Debtor under the Uniform Commercial Code of the time and place of any public sale or the time after which any private sale or other intended disposition of the Collateral is to be made shall be deemed to constitute reasonable notice if such notice is given to the last known address of Debtor at least five (5) days prior to such action.

(d) Proceeds from any sale or lease or other disposition shall be applied: first, to all costs of repossession, storage, and disposition including without limitation attorneys', appraisers', and auctioneers' fees; second, to discharge the obligations then in default; third, to discharge any other Indebtedness of Debtor to Secured Party, whether as obligor, endorser, guarantor, surety or indemnitor; fourth, to expenses incurred in paying or settling liens and claims against the Collateral; and lastly, to Debtor, if there exists any surplus. Debtor shall remain fully liable for any deficiency.

(e) Debtor agrees to pay all reasonable attorneys' fees and other costs incurred by Secured Party in connection with the enforcement, assertion, defense or preservation of Secured Party's rights and remedies under this Agreement, or if prohibited by law, such lesser sum as may be permitted. Debtor further agrees that such fees and costs shall constitute Indebtedness.

(f) Secured Party's rights and remedies under this Agreement or otherwise arising are cumulative and may be exercised singularly or concurrently. Neither the failure nor any delay on the part of the Secured Party to exercise any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of that or any other right, power or privilege. SECURED PARTY SHALL NOT BE DEEMED TO HAVE WAIVED ANY OF ITS RIGHTS UNDER THIS AGREEMENT OR UNDER ANY OTHER AGREEMENT, INSTRUMENT OR PAPER SIGNED BY DEBTOR UNLESS SUCH WAIVER IS EXPRESSED IN WRITING AND SIGNED BY SECURED PARTY. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

(g) DEBTOR AND SECURED PARTY UNCONDITIONALLY WAIVE THEIR RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER DEBT DOCUMENTS, ANY OF THE INDEBTEDNESS SECURED HEREBY, ANY DEALINGS BETWEEN DEBTOR AND SECURED PARTY RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN DEBTOR AND SECURED PARTY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY OTHER DEBT DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS

RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8. MISCELLANEOUS.

(a) This Agreement, any Note and/or any of the other Debt Documents may be assigned, in whole or in part, by Secured Party without notice to Debtor, and Debtor agrees not to assert against any such assignee, or assignee's assigns, any defense, set-off, recoupment claim or counterclaim which Debtor has or may at any time have against Secured Party for any reason whatsoever. Debtor agrees that if Debtor receives written notice of an assignment from Secured Party, Debtor will pay all amounts payable under any assigned Debt Documents to such assignee or as instructed by Secured Party. Debtor also agrees to confirm in writing receipt of the notice of assignment as may be reasonably requested by Secured Party or assignee.

(b) All notices to be given in connection with this Agreement shall be in writing, shall be addressed to the parties at their respective addresses set forth in this Agreement (unless and until a different address may be specified in a written notice to the other party), and shall be deemed given (i) on the date of receipt if delivered in hand or by facsimile transmission, (ii) on the next business day after being sent by express mail, and (iii) on the fourth business day after being sent by regular, registered or certified mail. As used herein, the term "business day" shall mean and include any day other than Saturdays, Sundays, or other days on which commercial banks in New York, New York are required or authorized to be closed.

(c) Secured Party may correct patent errors and fill in all blanks in this Agreement or in any Collateral Schedule consistent with the agreement of the parties.

(d) Time is of the essence of this Agreement. This Agreement shall be binding, jointly and severally, upon all parties described as the "Debtor" and their respective heirs, executors, representatives, successors and assigns, and shall inure to the benefit of Secured Party, its successors and assigns.

(e) This Agreement and its Collateral Schedules constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior understandings (whether written, verbal or implied) with respect to such subject matter. THIS AGREEMENT AND ITS COLLATERAL SCHEDULES SHALL NOT BE CHANGED OR TERMINATED ORALLY OR BY COURSE OF CONDUCT, BUT ONLY BY A WRITING SIGNED BY BOTH PARTIES. Section headings contained in this Agreement have been included for convenience only, and shall not affect the construction or interpretation of this Agreement.

(f) This Agreement shall continue in full force and effect until all of the Indebtedness has been indefeasibly paid in full to Secured Party or its assignee. The surrender, upon payment or otherwise, of any Note or any of the other documents evidencing any of the Indebtedness shall not affect the right of Secured Party to retain the Collateral for such other Indebtedness as may then exist or as it may be reasonably contemplated will exist in the future. This Agreement shall automatically be reinstated if Secured Party is ever required to return or restore the payment of all or any portion of the Indebtedness (all as though such payment had never been made).

(g) Debtor authorizes Secured Party to use its name, logo and/or trademark without notice to or consent by Debtor, in connection with certain promotional materials that Secured Party may disseminate to the public. The promotional materials may include, but are not limited to, brochures, video tape, internet website, press releases, advertising in newspaper and/or other periodicals, lucites, and any other materials relating the fact that Secured Party has a financing relationship with Debtor and such materials may be developed, disseminated and used without Debtor's review. Nothing herein obligates Secured Party to use Debtor's name, logo and/or trademark, in any promotional materials of Secured Party.

(h) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CONNECTICUT (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.

IN WITNESS WHEREOF, Debtor and Secured Party, intending to be legally bound hereby, have duly executed this Agreement in one or more counterparts, each of which shall be deemed to be an original, as of the day and year first aforesaid.

SECURED PARTY:  
General Electric Capital Corporation

DEBTOR:  
SIGA Technologies, Inc.

By: /s/ John Edel  
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By: /s/ Thomas N. Konatich  
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Name: John Edel  
Title: Senior Vice President

Name: Tom Konatich  
Title: Chief Finanical Officer