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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Earliest Event Reported**  
March 11, 2008

**Environmental Tectonics Corporation**

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation of organization)

1-10655

(Commission File Number)

23-1714256

(IRS Employer Identification Number)

Southampton, Pennsylvania

(Address of principal executive offices)

County Line Industrial Park

18966

(Zip Code)

Registrant's telephone number, including area code (215) 355-9100

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On March 11, 2008, Environmental Tectonics Corporation (“ETC”) entered into Amendment No. 1 to Convertible Note and Warrant Purchase Agreement (the “Purchase Agreement Amendment”) and First Amendment to Senior Subordinated Convertible Note (the “Note Amendment”) with H.F. Lenfest (“Lenfest”) with respect to that certain Convertible Note and Warrant Purchase Agreement, dated as of February 18, 2003, by and between ETC and Lenfest (the “Convertible Note and Warrant Purchase Agreement”). Under the terms of the Purchase Agreement Amendment, ETC and Lenfest agreed to amend the financial covenants set forth in the Convertible Note and Warrant Purchase Agreement so that they are the same as the financial covenants contained in ETC’s credit agreement with PNC Bank, National Association, dated as of July 31, 2007. Under the terms of the Note Amendment, the maturity date of the convertible promissory note in the principal amount of \$10,000,000 issued by ETC to Lenfest pursuant to the Convertible Note and Warrant Purchase Agreement was extended from February 18, 2009 to March 1, 2010. The effective date of the Purchase Agreement Amendment and the Note Amendment is February 19, 2008. Copies of the Purchase Agreement Amendment and the Note Amendment are attached as Exhibits 10.1 and 10.2 hereto and are incorporated by reference.

Lenfest is a member of the Board of Directors and a significant shareholder of ETC. As more fully set forth in the Current Report on Form 8-K filed by ETC on February 22, 2008, ETC received a proposal from an affiliate of Lenfest to purchase all of the outstanding shares of ETC’s common stock not already owned by Lenfest.

A copy of the press release announcing the transaction is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

The following exhibits are filed herewith:

- 10.1 Amendment No. 1 to Convertible Note and Warrant Purchase Agreement, effective as of February 19, 2008, by and between ETC and Lenfest
  - 10.2 First Amendment to Senior Subordinated Convertible Note, effective as of February 19, 2008, by ETC in favor of Lenfest
  - 99.1 Press Release dated March 14, 2008
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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 thereunto duly authorized.

ENVIRONMENTAL TECTONICS CORPORATION  
Registrant

Date: March 14, 2008

By /s/ Duane D. Deaner  
Duane D. Deaner  
Chief Financial Officer

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## EXHIBIT INDEX

- 10.1 Amendment No. 1 to Convertible Note and Warrant Purchase Agreement, effective as of February 19, 2008, by and between ETC and Lenfest
- 10.2 First Amendment to Senior Subordinated Convertible Note, effective as of February 19, 2008, by ETC in favor of Lenfest
- 99.1 Press Release dated March 14, 2008

**AMENDMENT NO. 1**  
**TO**  
**CONVERTIBLE NOTE AND WARRANT PURCHASE AGREEMENT**

This Amendment No. 1 to Convertible Note and Warrant Purchase Agreement, entered into as of March 11, 2008 and effective as of February 19, 2008 (this "**Amendment**"), to the Convertible Note and Warrant Purchase Agreement (the "**Agreement**"), dated as of February 18, 2003, by and between Environmental Tectonics Corporation, a Pennsylvania corporation ("**Borrower**"), and H.F. Lenfest ("**Purchaser**") is made upon the following terms and conditions. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

**Background**

WHEREAS, Borrower and Purchaser desire to amend the Agreement as provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto amend the Agreement as follows:

Confirmation of Existing Indebtedness. Borrower hereby unconditionally acknowledges and confirms that (i) the unpaid principal indebtedness of Borrower to Purchaser evidenced by the Note is \$10,000,000, (ii) interest on the outstanding principal balance of the Note has been paid through August 23, 2006; and (iii) the foregoing sums, together with continually accruing interest and any related costs, fees and expenses are, as of the date hereof, unconditionally owing without claim, counterclaim, right of recoupment, defense or set off of any kind or of any nature whatsoever.

Ratification of Transaction Documents. Borrower hereby unconditionally ratifies and confirms and reaffirms in all respect and without condition, all of the terms, covenants and conditions set forth in the Transaction Documents and agrees that it remains unconditionally liable to Purchaser

in accordance with the respective terms, covenants and conditions of such instruments, agreements and documents, and that all liens and security interests, encumbering any collateral created pursuant to and/or referred to in the Transaction Documents continue unimpaired and in full force and effect, and secure and shall continue to secure all of the obligations of Borrower to Purchaser including, without limitation, the Borrower's obligations in connection with the Loan and under the other Transaction Documents.

Definitions. The following defined terms set forth in Section 1.1 of the Agreement shall be amended as follows:

“Maturity Date” shall mean March 1, 2010, or any other date on which all outstanding principal, together with accrued and unpaid interest, on the Note shall be due and payable in full.

“Consolidated Tangible Net Worth” shall mean as of any date of determination, (a) the aggregate amount of all assets of the Borrower and its Subsidiaries on a consolidated basis at such date as may be properly classified as such in accordance with GAAP, excluding such other assets as are properly classified as intangible assets under GAAP, minus (b) the aggregate amount of all liabilities of the Borrower and its Subsidiaries and minority interests in the Borrower or any of its Subsidiaries on a consolidated basis at such date, as may be properly classified as such in accordance with GAAP, plus (c) the outstanding principal balance of the Note.

Amendment to Note. Simultaneously with the execution and delivery of this Amendment, Purchaser and Borrower shall execute and deliver the First Amendment to Senior Subordinated Convertible Note in the form attached hereto as Exhibit A (the “**First Amendment to Note**”). The First Amendment to Note shall be affixed to the Note and constitute a part thereof.

References to Note. All references in the Agreement and in any and all of the other Transaction Documents to the Note, no matter how denominated, is hereby amended, replaced and reformed to mean and refer to the Note as amended by the First Amendment to Note.

Financial Covenants. Section 7.3 of the Agreement is hereby deleted in full and replaced with the following:

7.3 Financial Covenants. The Borrower covenants that, so long as all or any part of the principal amount of the Note or any interest thereon shall remain outstanding, the Borrower will maintain as of the end of each fiscal quarter a minimum Consolidated Tangible Net Worth of \$5,000,000.

Integrated Agreement. This Amendment and all of the instruments, agreements and documents executed and/or delivered in conjunction with this Amendment shall be effective upon the date of execution hereof and thereof by all parties hereto and thereto, and shall be deemed incorporated into and made a part of the Transaction Documents. All such instruments, agreements and documents, and this Amendment, shall be construed as integrated and complementary of each other, and as augmenting and not restricting Purchaser's rights, remedies, benefits and security. If, after applying the foregoing, an inconsistency still exists, the provisions of this Amendment shall constitute an amendment thereto and shall govern and control.

Miscellaneous.

Validity. In the event that all or any portion of any provision of this Amendment shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Amendment.

Headings. The section headings in this Amendment are for convenience only, form no part of this Amendment, and shall not affect its interpretation.

Effectiveness of Agreement. Except as expressly amended hereby, all provisions of the Agreement shall remain in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Amendment No. 1 to Convertible Note and Warrant Purchase Agreement the day and year first above written.

**BORROWER:**

ENVIRONMENTAL TECTONICS CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

**PURCHASER:**

\_\_\_\_\_  
H.F. Lenfest



**FIRST AMENDMENT TO  
SENIOR SUBORDINATED CONVERTIBLE NOTE**

FIRST AMENDMENT, effective as of February 19, 2008 (this “**First Amendment to Note**”), to the Senior Subordinated Convertible Note dated as of February 18, 2003 issued by Environmental Tectonics Corporation, a Pennsylvania corporation (the “**Company**”), to H.F. Lenfest (the “**Lender**”), in the original principal amount of \$10,000,000 (the “**Note**”).

WHEREAS, the Company and the Lender are parties to a Convertible Note and Warrant Purchase Agreement, dated as of February 18, 2003 (as may be amended, restated, supplemented or otherwise modified and in effect from time to time, the “**Agreement**”), pursuant to which the Lender made the Loan to the Company, as evidenced by the Note, under the terms and conditions thereof. Unless otherwise defined herein, all capitalized terms used in this Amendment shall have the meanings given to them in the Note.

WHEREAS, the Company and the Lender are entering into that certain Amendment No. 1 to the Convertible Note and Warrant Purchase Agreement as of the date hereof pursuant to which the Lender has agreed, among other things, to extend the Maturity Date of the Loan as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

Extension of Maturity Date. For purposes of the Note, the term “Maturity Date” is hereby amended to mean March 1, 2010.

Outstanding Indebtedness. The Company hereby unconditionally acknowledges that, as of the date hereof, the outstanding principal balance of the Note is \$10,000,000. The Company acknowledges and agrees that the foregoing balance, together with interest thereon at the rates set forth in the Note is owing to the Lender without claim, counterclaim, recoupment, defense or setoff of any kind. This Amendment does not evidence the repayment of the Note.

Counterparts. This Amendment may be executed in counterparts, each of which shall constitute an original and together shall constitute one and the same documents.

Effectiveness of Note. Except as expressly amended hereby, all provisions of the Note shall remain in full force and effect. This First Amendment to Note shall be affixed to the Note.

[Signature Pages Follow]

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IN WITNESS WHEREOF, the undersigned have executed and delivered this First Amendment to Note the day and year first above written.

**COMPANY:**

ENVIRONMENTAL TECTONICS CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

**LENDER:**

\_\_\_\_\_  
H.F. Lenfest

## ENVIRONMENTAL TECTONICS CORPORATION

## Lenfest Subordinated Note Extended

Southampton, PA, March 14, 2008 – Environmental Tectonics Corporation (AMEX: ETC) (“ETC”) today reported that, on March 11, 2008, H.F. Lenfest agreed to modify certain terms and conditions of his convertible subordinated \$10,000,000 debt agreement. Amendment No. 1 to the Convertible Note and Warrant Purchase Agreement amended the financial covenants so that they are the same as the financial covenants contained in ETC’s credit agreement with PNC Bank, National Association, dated as of July 31, 2007. The First Amendment to the Senior Subordinated Convertible Note extended the maturity date of the Convertible Note and Warrant Purchase Agreement from February 18, 2009 to March 1, 2010. The effective date of both modifications is February 19, 2008.

ETC designs, develops, installs and maintains aircrew training systems (aeromedical, tactical combat and general), disaster management training systems and services, entertainment products, sterilizers (steam and gas), environmental testing products, hyperbaric chambers and related products for domestic and international customers.

*This press release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended, and Section 21E of the Securities Exchange Act of 1934. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about ETC that may cause our actual results, levels of activity, performance or achievements to be materially different from any other future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements include statements with respect to ETC’s vision, mission, strategies, goals, beliefs, plans, objectives, expectations, anticipations, estimates, intentions, financial condition, results of operations, future performance and business of ETC, including but not limited to, (i) the proposed acquisition by H. F. Lenfest, (ii) projections of revenue, costs of raw materials, income or loss, earnings or loss per share, capital expenditures, growth prospects, dividends, capital structure, other financial items and the effects of currency fluctuations, (iii) statements of plans and objectives of ETC or its management or Board of Directors, including the introduction of new products, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities, (iv) statements of future economic performance, (v) statements of assumptions and other statements about ETC or its business, (vi) statements made about the possible outcomes of litigation involving ETC, and (vii) statements preceded by, followed by or that include the words “may”, “could”, “should”, “looking forward”, “would”, “believe”, “expect”,*

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*“anticipate”, “estimate”, “intend”, “plan”, or the negative of such terms or similar expressions. These forward-looking statements involve risks and uncertainties which are subject to change based on various important factors. Some of these risks and uncertainties, in whole or in part, are beyond ETC’s control. Factors that might cause or contribute to such a material difference include, but are not limited to, those discussed in our Securities and Exchange Commission filings and other public documents, including, without limitation, our Annual Report on Form 10-K for the fiscal year ended February 23, 2007. Shareholders are urged to review these risks carefully prior to making an investment in the ETC’s common stock.*

*ETC cautions that the foregoing list of important factors is not exclusive. ETC does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of ETC.*

Contact: Duane D. Deaner, CFO Tel: 215-355-9100 (ext. 1203)  
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