SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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OPINION RESEARCH CORP

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United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended June 30, 2004

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Period from : ______ to ______

Commission file number 0-22554

OPINION RESEARCH CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**22-3118960**
(State of incorporation)	**(I.R.S. Employer Identification No.)**

600 College Road East, Suite #4100 Princeton, NJ	**08540**
(Address of principal executive offices)	**(Zip Code)**

609-452-5400

(Registrant' s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer' s classes of common stock, as of the latest practical date.

CommonStock, $0.01 Par Value - 6,288,649 shares as of July 28, 2004

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

OPINION RESEARCH CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

(in thousands, except share amounts)

(Unaudited)

	June 30, 2004	December 31, 2003
Assets		
Current Assets:		
Cash and cash equivalents	$986	$ 2,766
Accounts receivable:		
Billed	25,223	24,890
Unbilled services	16,517	14,140
	41,740	39,030
Less: allowance for doubtful accounts	273	336
	41,467	38,694
Prepaid and other current assets	4,578	3,161
Total current assets	47,031	44,621
Property and equipment, net	9,068	9,099
Intangibles, net	515	715
Goodwill	32,592	32,537

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Deferred income taxes	4,450	4,417
Other assets	3,092	4,322
	$96,748	$ 95,711
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$6,587	$ 5,473
Accrued expenses	10,187	13,829
Deferred revenues	2,783	2,183
Short-term borrowings	2,000	3,000
Other current liabilities	1,151	762
Total current liabilities	22,708	25,247
Long-term debt	44,266	41,922
Other liabilities	1,329	1,543
Redeemable Equity:		
Preferred stock:		
Series B - 10 shares designated, issued and outstanding, liquidation value of $10 per share	–	–
Series C - 588,229 shares designated, none issued or outstanding	–	–

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	2004	2003
Common stock, 1,176,458 shares issued and outstanding	8,900	8,900
Stockholders' Equity:		
Preferred stock, $.01 par value, 1,000,000 shares authorized: Series A - 10,000 shares designated, none issued or outstanding	–	–
Common stock, $.01 par value, 20,000,000 shares authorized, 5,131,919 shares issued and 5,083,097 outstanding in 2004, and 4,999,159 shares issued and 4,950,337 outstanding in 2003	51	50
Additional paid-in capital	20,813	19,803
Retained earnings (deficit)	(1,303)	(2,004)
Treasury stock, at cost, 48,822 shares in 2004 and 2003	(261)	(261)
Accumulated other comprehensive income	245	511
Total stockholders' equity	19,545	18,099
	$96,748	$ 95,711

See notes to financial statements

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OPINION RESEARCH CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**
Revenues	$49,400	$45,481	$97,361	$88,645
Cost of revenues (exclusive of depreciation)	35,045	31,946	68,763	61,752
Gross profit	14,355	13,535	28,598	26,893
Selling, general and administrative expenses	10,370	9,676	20,268	19,650
Depreciation and amortization	955	1,008	1,897	1,954
Operating income	3,030	2,851	6,433	5,289
Interest expense	3,766	1,143	5,373	2,294
Other non-operating (income) expenses, net	(293)	(5)	(301)	17
Income (loss) before provision for income taxes	(443)	1,713	1,361	2,978
Provision (benefit) for income taxes	(206)	793	660	1,325
Net income (loss)	$(237)	$920	$701	$1,653
Net income (loss) per common share:				

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Basic	$(0.04)	$0.15	$0.11	$0.27
Diluted	$(0.04)	$0.15	$0.11	$0.27
Weighted average common shares outstanding:				
Basic	6,241,703	6,070,835	6,195,315	6,056,900
Diluted	6,241,703	6,144,002	6,410,437	6,106,146

See notes to financial statements

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OPINION RESEARCH CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Six Months Ended June 30,	
	2004	**2003**
Cash flows from operating activities:		
Net income	$701	$1,653
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,897	1,954
Non-cash interest expense	3,062	465
Change in:		
Accounts receivable	(2,678)	(490)
Other assets	(865)	(427)
Accounts payable and accrued expenses	(3,100)	(654)
Deferred revenues	573	(829)
Other liabilities	141	284
Net cash provided by (used in) operating activities	(269)	1,956
Cash flows from investing activities:		
Capital expenditures	(1,587)	(1,478)

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Net cash (used in) investing activities	(1,587)	(1,478)
Cash flows from financing activities:		
Borrowings under line-of-credit agreements	38,433	22,935
Repayments under line-of-credit agreements	(30,488)	(21,750)
Issuance of notes payable	22,000	–
Repayments of notes payable	(28,500)	(3,000)
Payments of loan origination and amendment fees	(1,850)	(255)
Repayments under capital lease arrangements	(50)	(23)
Proceeds from the issuance of capital stock and options	395	239
Net cash (used in) financing activities	(60)	(1,854)
Effect of exchange rate changes on cash and cash equivalents	136	9
Increase (decrease) in cash and cash equivalents	(1,780)	(1,367)
Cash and cash equivalents at beginning of period	2,766	2,549
Cash and cash equivalents at end of period	$986	$1,182
Non-cash investing and financing activities:		

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Acquisition of equipment under capital lease	$52	$244

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NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004. For further information, refer to the consolidated financial statements and footnotes thereto included in the Registrant Company and Subsidiaries' Annual Report on Form 10-K for the year ended December 31, 2003.

In the statement of cash flows for the period ended June 30, 2003, $255 of the change in other assets previously included in net cash provided by operating activities has been reclassified to payments of loan amendment fees in the cash flows from financing activities to conform to the current period presentation.

NOTE B - CREDIT FACILITIES

In May 2004, the Company entered into a new secured revolving credit facility of $35,000 with two financial institutions (the "Senior Revolving Facility"). The Senior Revolving Facility is for a three-year term and is secured by substantially all of the assets of the Company. The Senior Revolving Facility carries an interest rate at the discretion of the Company of either the financial institution's designated base rate (4.25% at June 30, 2004) plus 100 basis points or LIBOR (3-month LIBOR was 1.63% at June 30, 2004) plus 300 basis points. As of June 30, 2004, the Company had approximately $8,687 of additional credit available under the Senior Revolving Facility.

In May 2004, the Company also issued $10,000 of secured subordinated notes (the "Secured Subordinated Notes") and $12,000 of unsecured subordinated notes (the "Unsecured Subordinated Notes") to a financial institution. The Secured Subordinated Notes carry an interest rate of 10% and will mature in November 2007. The Secured Subordinated Notes require principal payments of $500 per quarter commencing July 1, 2004, with an unamortized balance of $3,000 due at the end of the term. The Unsecured Subordinated Notes expire in May 2009 and carry a fixed interest rate of 15.5%; 13% is payable quarterly in cash, and 2.5%, at the discretion of the Company, may be paid in cash or deferred and included in the outstanding principal balance until maturity. In exchange for consideration received in connection with this debt, the Company extended the term of existing warrants held by the financial institution from

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May 2007 to the later of May 2009 or the third anniversary of the repayment date. These warrants were issued in 1999 to the financial institution and are for the purchase of 437,029 shares of the Company' s common stock at an exercise price of $5.422 per share. The extension of these warrants is valued at $616 and will be accreted through interest expense over the life of the Unsecured Subordinated Notes.

The Company is required to maintain certain financial covenants under its credit facilities. For the measuring period ended June 30, 2004, the Company was in compliance with all of the financial covenants.

All debt outstanding as of May 4, 2004 was repaid with proceeds from the above borrowings. In conjunction with its new credit facilities, the Company incurred additional costs of approximately $1,430 which are included in other long term assets in the Company' s consolidated financial statements and amortized over the remaining terms of the facilities, commencing in the second quarter of 2004. Due to the refinancing described herein, the Company also wrote off the unamortized loan fees of approximately $2,506 as interest expense, which included payments of $420 made in 2004, related to the retired debt in the second quarter of 2004.

NOTE C - EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Numerator:				
Net income (loss)	$ (237)	$920	$701	$1,653
Numerator for basic and diluted earnings (loss) per share	$ (237)	$920	$701	$1,653
Denominator:				
Denominator for basic earnings per share,				
Weighted-average shares	6,242	6,071	6,195	6,057
Effect of dilutive stock options	–	73	215	49
Denominator for diluted earnings per share				
Adjusted weighted-average shares	6,242	6,144	6,410	6,106

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Net income (loss) per common share:				
Basic	$ (.04)	$.15	$.11	$.27
Diluted	$ (.04)	$.15	$.11	$.27

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NOTE D - STOCK-BASED COMPENSATION

The Company accounts for its employee stock option plans under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ("APB 25") and related interpretations. The Company has adopted the disclosure-only provisions of Statement 123, *Stock-Based Compensation* and Statement 148, *Accounting for Stock-Based Compensation − Transition and Disclosure*, which was released in December 2002 as an amendment of Statement 123.

The following table illustrates the effect on net income (loss) and earnings (loss) per share if the fair value based method had been applied to all stock option awards:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**
Net income (loss) – as reported	$ (237)	$920	$701	$1,653
Add: stock-based employee compensation expense included in reported net income (loss) net of related tax effects	–	–	–	–
Deduct: total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	(85)	(101)	(148)	(202)
Net income (loss) – pro forma	$ (322)	$819	$553	$1,451
Basic earnings (loss) per share – as reported	$ (.04)	$.15	$.11	$.27
Basic earnings (loss) per share – pro forma	$ (.05)	$.13	$.09	$.24
Diluted earnings (loss) per share - as reported	$ (.04)	$.15	$.11	$.27
Diluted earnings (loss) per share - pro forma	$ (.05)	$.13	$.09	$.24

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2004	**2003**
Expected dividend yield	0 %	0 %
Expected stock price volatility	53.0 %	53.5 %

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Risk-free interest rate	3.61 %	3.97 %
Expected life of options	7 years	7 years

No options were granted during the three months ended June 30, 2004 and 2003. The weighted average fair value of options granted during the six months ended June 30, 2004 and 2003 was $3.59 and $3.09 per share, respectively.

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NOTE E - GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying value of goodwill as of June 30, 2004 are as follows:

	U.S. Market Research	U.K. Market Research	Teleservices	Social Research	Other	Consolidated
Balance at January 1, 2004	$ 2,390	$ 2,836	$ 5,530	$ 21,781	$ –	$ 32,537
Foreign currency translation	–	55	–	–	–	55
Balance at June 30, 2004	$ 2,390	$ 2,891	$ 5,530	$ 21,781	$ –	$ 32,592

The Company' s intangible assets consist of the following:

	June 30, 2004	December 31, 2003
Intangible assets subject to amortization:		
Customer lists	$3,762	$ 3,750
Non-competition agreements	1,603	1,587
Backlog	1,350	1,350
Other	528	521
	7,243	7,208
Accumulated amortization	(6,728)	(6,493)
	$515	$ 715

Amortization of intangible assets was $203 for the six months ended June 30, 2004 and $277 for the six months ended June 30, 2003, respectively. The estimated aggregate amortization expense for the remainder of 2004 and each of the five succeeding years is as follows:

2004	$109

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2005	170
2006	19
2007	19
2008	19
2009	19

NOTE F - COMPREHENSIVE INCOME (LOSS)

The Company' s comprehensive income for the three and six months ended June 30, 2004 and 2003, are set forth in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**
Net income (loss)	$ (237)	$920	$701	$1,653
Other comprehensive income (loss):				
Foreign currency translation adjustment	(514)	516	(266)	154
Comprehensive income (loss)	$ (751)	$1,436	$435	$1,807

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NOTE G - SEGMENTS

The Company' s operations by business segments for the three and six months ended June 30, 2004 and 2003, are presented in the table below. For both periods presented, the U.S. market research segment included unallocated corporate headquarters related expenses.

	U.S. Market Research	U.K. Market Research	Teleservices	Social Research	Total Segments	Other	Consolidated
Three months ended June 30, 2004:							
Revenues from external customers	$ 7,285	$ 5,138	$ 3,342	$ 32,261	$ 48,026	$ 1,374	$ 49,400
Operating income (loss)	(764)	77	300	3,387	3,000	30	3,030
Interest and other non- operating expenses, net							3,473
Income (loss) before provision for income taxes							(443)
Three months ended June 30, 2003:							
Revenues from external customers	$ 7,091	$ 4,485	$ 3,295	$ 30,190	$ 45,061	$ 420	$ 45,481
Operating income (loss)	(232)	190	332	2,847	3,137	(286)	2,851
Interest and other non- operating expenses, net							1,138
Income before provision for income taxes							1,713
Six months ended June 30, 2004:							
Revenues from external customers	$ 13,600	$ 11,058	$ 6,950	$ 63,194	$ 94,802	$ 2,559	$ 97,361
Operating income (loss)	(1,280)	290	690	6,726	6,426	7	6,433

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Interest and other non- operating expenses, net							5,072
Income before provision for income taxes							1,361
Six months ended June 30, 2003:							
Revenues from external customers	$ 13,675	$ 9,097	$ 6,684	$ 57,995	$ 87,451	$ 1,194	$ 88,645
Operating income (loss)	(1,210)	376	589	5,857	5,612	(323)	5,289
Interest and other non- operating expenses, net							2,311
Income before provision for income taxes							2,978

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ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(dollars in thousands)

The following Management' s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Company' s interim financial statements and notes thereto, which appear elsewhere in this Quarterly Report on Form 10-Q, and the Company' s audited financial statements and the MD&A contained in the Company' s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 23, 2004 (the "Form 10-K"). The following discussion contains forward-looking statements that involve risks and uncertainties. The words "may," "could," "believe," "expect," "anticipate," or "intend" and similar expressions and phrases are intended to identify forward-looking statements. As a result of many factors, including the factors set forth under the caption "Forward-Looking Statements" in the Form 10-K, the Company' s actual results may differ materially from those anticipated in these forward-looking statements.

Results of Operations - Second Quarter 2004 as Compared to Second Quarter 2003

Revenues for the second quarter of 2004 increased $3,919, or 9%, to $49,400 from $45,481 in 2003. Revenues increased $2,071, or 7%, in the Company' s social research business, $194, or 3%, in U.S. market research, $653, or 15%, in U.K. market research and $47, or 1%, in the teleservices business. In all cases, the increase in revenues in the various operating segments is due to higher demand for services. For U.K. market research, the decline of the U.S. dollar relative to the U.K. pound increased revenues by $594.

Cost of revenues increased $3,099, or 10%, from $31,946 in 2003 to $35,045 in 2004. Gross profit as a percentage of revenues decreased slightly from 30% in 2003 to 29% in 2004. The increase in cost of revenues is principally attributable to higher part-time labor expenses for the U.S. market research business, which are not expected to continue.

Selling, general and administrative expenses ("SG&A") increased $694, or 7%, to $10,370 in the second quarter of 2004 from $9,676 in the second quarter of 2003. As a percentage of revenues, consolidated SG&A remained constant at 21% for both 2004 and 2003.

Depreciation and amortization expense decreased by $53, or 5%, to $955 in the second quarter of 2004 from $1,008 in the second quarter of 2003. The decrease is principally due to certain intangible assets which were fully amortized by the end of 2003.

Interest expense increased $2,623 to $3,766 in the second quarter of 2004 from $1,143 in the second quarter of 2003. The increase is principally due to the write-off of the unamortized loan fees of $2,506 related to debt that was refinanced during the quarter. With the completed refinancing (as discussed below in the "Liquidity and Capital Resources" section) and based on current interest rate and debt levels, the Company anticipates that interest expense in subsequent quarters will be approximately $1,200 per quarter.

Other non-operating (income) expenses, net, increased to $(293) in the second quarter of 2004 from $(5) in the second quarter of 2003. The increase is principally due to a foreign exchange

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gain of $335 realized in U.K. market research due to the settlement of a long-term intercompany payable, partially offset by increases in other non-operating expenses in other business units.

The provision (benefit) for income taxes for the second quarter of 2004 and the second quarter of 2003 was $(206) and $793, respectively. The write-off of the unamortized loan fees discussed previously in interest expense provided a tax benefit of approximately $852 in the second quarter of 2004. The Company anticipates that the underlying effective tax rate on operations for the full year 2004 will be approximately 48.5%. The increase in the effective rate compared to the same period in the prior year is due to the absence of offsetting tax benefits for certain state and non-U.S. losses as well as increased state taxes from profitable business segments in the current period.

As a result of all of the above, net income decreased to $(237) in the second quarter of 2004 from $920 in the second quarter of 2003.

Results of Operations - Six Months Year-to-Date 2004 as Compared to Six Months Year-to-Date 2003

Revenues for the first six months of 2004 increased $8,716, or 10%, to $97,361 from $88,645 in 2003. Revenues increased $5,199, or 9%, in the Company' s social research business, $266, or 4%, in the teleservices business and $1,961, or 22%, in U.K. market research. Revenues declined $75, or 1%, in U.S. market research. Higher demand for services is the main contributor to the overall revenue increase among various operating segments. For U.K. market research, the decline of the U.S. dollar relative to the U.K. pound increased revenues by $1,267.

Cost of revenues increased $7,011, or 11%, from $61,752 in 2003 to $68,763 in 2004. Gross profit as a percentage of revenues decreased from 30% in 2003 to 29% in 2004. The increase in cost of revenues is principally attributable to higher part-time labor expenses for the U.S. market research business, which are not expected to continue.

Selling, general and administrative expenses ("SG&A") increased $618, or 3%, to $20,268 in the first six months of 2004 from $19,650 in the first six months of 2003. As a percentage of revenues, consolidated SG&A decreased from 22% in 2003 to 21% in 2004, reflecting improved efficiencies from cost reductions in U.S. market research, partially offset by increases in the other segments.

Depreciation and amortization expense decreased by $57, or 3%, to $1,897 in the first six months of 2004 from $1,954 in the first six months of 2003. The decrease is principally due to certain intangible assets which were fully amortized by the end of 2003.

Interest expense increased $3,079 to $5,373 in the first six months of 2004 from $2,294 in the first six months of 2003. The increase is principally due to the write-off of the unamortized loan fees of $2,506 related to debt that was refinanced during the quarter. With the completed refinancing (as discussed below in the "Liquidity and Capital Resources" section) and based on current interest rate and debt levels, the Company anticipates that interest expense in subsequent quarters will be approximately $1,200 per quarter.

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Other non-operating (income) expenses, net, increased to $(301) in the first six months of 2004 from $17 in the first six months of 2003. The increase is principally due to a foreign exchange gain of $335 realized in U.K. market research in the second quarter of 2004 due to the settlement of a long-term intercompany payable, partially offset by increases in other non-operating expenses in other business units.

The provision for income taxes was $660 in the first six months of 2004 as compared to $1,325 in the same period of 2003. The write-off of the unamortized loan fees discussed previously in interest expense provided a tax benefit of approximately $852 in the second quarter of 2004. The Company anticipates that the underlying effective tax rate on operations for the full year 2004 will be approximately 48.5%. The increase in the effective rate compared to the same period in the prior year is due to the absence of offsetting tax benefits for certain state and non-U.S. losses as well as increased state taxes from profitable business segments in the current period.

As a result of all of the above, net income decreased to $701 in the first six months of 2004 from $1,653 in the first six months of 2003.

Liquidity and Capital Resources

Net cash (used in) provided by operating activities for the first six months of 2004 was $(269) as compared to $1,956 for the same period in 2003. The decrease of $2,225 in the operating cash flows is principally attributable to the timing of payments on operational disbursements, such as payroll, income taxes, and interest, and an increase in unbilled receivables as a result of the revenue increase in the first six months of 2004.

Investing activities for the first six months of 2004 consisted of capital expenditures totaling $1,587 as compared to $1,478 for the same period in 2003. In both periods, the majority of the spending on capital items was for the ongoing maintenance and replacement of technology.

Financing activities included a net increase in borrowings during the first six months of 2004 totaling $1,445, payment of loan amendment fees of $1,850 and proceeds from the sale of the Company’ s common stock under the Company’ s various stock purchase plans of $395. This compares to a net reduction in borrowings of $1,815 and proceeds from the sale of the Company’ s common stock under the Company’ s various stock purchase plans of $239 during the first six months of 2003.

In May 2004, the Company entered into a new secured revolving credit facility of $35,000 with two financial institutions (the “Senior Revolving Facility”). The Senior Revolving Facility is for a three-year term and is secured by substantially all of the assets of the Company. The Senior Revolving Facility carries an interest rate at the discretion of the Company of either the financial institution’ s designated base rate (4.25% at June 30, 2004) plus 100 basis points or LIBOR (3-month LIBOR was 1.63% at June 30, 2004) plus 300 basis points. As of June 30, 2004, the Company had approximately $8,687 of additional credit available under the Senior Revolving Facility.

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In May 2004, the Company also issued $10,000 of secured subordinated notes (the "Secured Subordinated Notes") and $12,000 of unsecured subordinated notes (the "Unsecured Subordinated Notes") to a financial institution. The Secured Subordinated Notes carry an interest rate of 10% and will mature in November 2007. The Secured Subordinated Notes require principal payments of $500 per quarter commencing July 1, 2004, with an unamortized balance of $3,000 due at the end of the term. The Unsecured Subordinated Notes expire in May 2009 and carry a fixed interest rate of 15.5%; 13% is payable quarterly in cash, and 2.5%, at the discretion of the Company, may be paid in cash or deferred and included in the outstanding principal balance until maturity. In exchange for consideration received in connection with this debt, the Company extended the term of existing warrants held by the financial institution from May 2007 to the later of May 2009 or the third anniversary of the repayment date. These warrants were issued in 1999 to the financial institution and are for the purchase of 437,029 shares of the Company's common stock at an exercise price of $5.422 per share. The extension of these warrants is valued at $616 and will be accreted through interest expense over the life of the Unsecured Subordinated Notes.

The Company is required to maintain certain financial covenants under its credit facilities. For the measuring period ended June 30, 2004, the Company was in compliance with all of the financial covenants.

All debt outstanding as of May 4, 2004 was repaid with proceeds from the above borrowings. In conjunction with its new credit facilities, the Company incurred additional costs of approximately $1,430 which are included in other long term assets in the Company's consolidated financial statements and amortized over the remaining terms of the facilities, commencing in the second quarter of 2004. Due to the refinancing described herein, the Company also wrote off the unamortized loan fees of approximately $2,506 as interest expense, which included payments of $420 made in 2004, related to the retired debt in the second quarter of 2004.

There are no material capital expenditure commitments and no acquisition related commitments. The Company has no off-balance sheet financing arrangements. The Company believes that its current sources of liquidity and capital will be sufficient to fund its long-term obligations and working capital needs for the foreseeable future.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Except for the completion of refinancing as disclosed in the "Liquidity and Capital Resources" section, there have been no significant changes in market risk since December 31, 2003 that would have a material effect on the Company' s risk exposure as previously disclosed in the Company' s Annual Report on Form 10-K for the year ended December 31, 2003. The following table provides information about the financial instruments of the Company that are sensitive to changes in interest rates and takes into account the refinancing of the Company' s credit facilities as of May 4, 2004. For debt obligations, the table presents principal cash flows and related weighted average interest rates as of June 30, 2004 by expected maturity dates.

	Interest Rate Sensitivity Principal Amount by Expected Maturity Average Interest Rate							
	2004	2005	2006	2007	2008	There-After	Total	Fair Value 06/30/04
Liabilities								
Long-term debt including current portion:								
Variable rate debt LIBOR + 3%	–	–	–	$24,869	–	–	$24,869	$ 24,869
Fixed rate debt - 10.0%	$1,000	$2,000	$2,000	$5,000	–	–	$10,000	$ 8,913
Fixed rate debt - 15.5%	–	–	–	–	–	$12,000	$12,000	$ 11,582

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company' s management, including the Company' s Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company' s disclosure controls and procedures as of June 30, 2004. Based on that evaluation, the Company' s management, including the CEO and CFO, concluded that the Company' s disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported as specified in the Securities and Exchange Commission' s rules and forms. There has been no change in the Company' s internal control over financial reporting during the Company' s most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the Company' s internal control over financial reporting.

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PART II: OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of the Company was held on May 11, 2004 at the Company' s headquarters for the following purposes:

1. To amend the Company' s Employee Stock Purchase Plan to increase the number of shares available for purchase thereunder from 500,000 to 1,000,000 shares. The amendment was approved by the following votes:

Votes For	Votes Against	Abstentions	Broker Non-Votes
2,923,578	715,001	2,397	1,992,716

2. To amend the Company' s Stock Purchase Plan for Non-employee Directors and Designated Employees and Consultants to increase the number of shares available for purchase thereunder from 200,000 to 400,000 shares. The amendment was approved by the following votes:

Votes For	Votes Against	Abstentions	Broker Non-Votes
3,129,201	509,378	2,397	1,992,716

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3. To elect two Directors to serve until the 2007 Annual Meeting of Stockholders of the Company and until their successors have been duly elected and qualified. The nominees were approved by the following votes:

Dale J. Florio

Votes For	Votes Withheld
5,264,448	369,244

Steven F. Ladin

Votes For	Votes Withheld
5,252,148	381,544

Item 5. Other Information

None.

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Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

10.1 Business Loan and Security Agreement dated May 4, 2004 among Opinion Research Corporation, ORC Inc., Macro International Inc., ORC ProTel, Inc., Social and Health Services, Ltd., ORC Holdings, Ltd., O.R.C. International Ltd. and Citizens Bank of Pennsylvania and First Horizon Bank.

10.2 Loan Agreement dated May 4, 2004 among Opinion Research Corporation, ORC, Inc., Macro International Inc., ORC ProTel, Inc., Social and Health Services, Ltd., ORC Holdings, Ltd., O.R.C. International Ltd. and Allied Capital Corporation ($10,000,000 Secured Subordinated Notes).

10.3 Loan Agreement dated May 4, 2004 among Opinion Research Corporation, ORC, Inc., Macro International Inc., ORC ProTel, Inc., Social and Health Services, Ltd., ORC Holdings, Ltd., O.R.C. International Ltd. and Allied Capital Corporation ($12,000,000 Subordinated Notes).

10.4 Amendment to Common Stock Purchase Warrant No. A-1 dated May 4, 2004 between Opinion Research Corporation and Allied Capital Corporation.

10.5 Amendment to Common Stock Purchase Warrant No. A-2 dated May 4, 2004 between Opinion Research Corporation and Allied Investment Corporation.

31.1 Certification of Principal Executive Officer Pursuant to Rule 13a-15(e) or 15d-15(e) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Principal Financial Officer Pursuant to Rule 13a-15(e) or 15d-15(e) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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b) Reports on Form 8-K

The Company filed a current report on Form 8-K on May 6, 2004 pursuant to Item 5 and Item 7 relating to the announcement of the Company' s debt refinancing.

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SIGNATURE

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.

Opinion Research Corporation
(Registrant)

Date: August 12, 2004

/s/ Douglas L. Cox
Douglas L. Cox
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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Exhibit 10.1

BUSINESS LOAN AND SECURITY AGREEMENT

dated as of May 4, 2004

by and among

OPINION RESEARCH CORPORATION, ORC INC., MACRO INTERNATIONAL INC.,
ORC PROTEL, INC., SOCIAL AND HEALTH SERVICES, LTD., ORC HOLDINGS, LTD.
and O.R.C. INTERNATIONAL LTD, as Borrowers,
and other Borrower parties hereto from time to time,

CITIZENS BANK OF PENNSYLVANIA and
FIRST HORIZON BANK, as Lenders,
and other Lender parties hereto from time to time,

and

CITIZENS BANK OF PENNSYLVANIA,

as Agent

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BUSINESS LOAN AND SECURITY AGREEMENT

THIS BUSINESS LOAN AND SECURITY AGREEMENT is executed as of the __ day of May, 2004, and is by and among (i) Citizens Bank of Pennsylvania, a Pennsylvania state chartered bank ("Citizens Bank"), acting in the capacity of Lender, Swing Line Lender and as the Agent for the Lenders; (ii) First Horizon Bank, a division of First Tennessee Bank National Association, as Lender, (iii) other "Lender" parties to this Business Loan and Security Agreement from time to time; (iv) Opinion Research Corporation, a Delaware corporation, whose address is 600 College Road East, Suite 4100, Princeton, NJ 08540, ORC Inc., a Delaware corporation, whose address is 600 College Road East, Suite 4100, Princeton, NJ 08540, Macro International Inc., a Delaware corporation, whose address is 11785 Beltsville Drive, Calverton, MD 20705, ORC ProTel, Inc., a Delaware corporation, whose address is 17213 Continental Drive, Lansing, IL 60438, Social and Health Services, Ltd., a Maryland corporation, whose address is 11426 Rockville Pike, Suite 100, Rockville, MD 20852, ORC Holdings, Ltd., an English Company, whose address is Angel Corner House, 1 Islington High Street, London, England N1 9AH, O.R.C. International Ltd., an English Company, whose address is Angel Corner House, 1 Islington High Street, London, England N1 9AH, and each other person or entity hereafter executing a Joinder Agreement pursuant to Section 1.9 of this Agreement (the "Borrowers").

W I T N E S S E T H T H A T:

In consideration of the mutual covenants and agreements herein contained, Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree, represent and warrant as follows:

CERTAIN DEFINITIONS

For the purposes of this Business Loan and Security Agreement, the terms set forth below shall have the following definitions:

"**Account Debtor**" shall mean any person or entity who is indebted to one (1) or more of the Borrowers for the payment of any Receivable; it being understood and agreed that when computations are being made with respect to amounts due and owing from an Account Debtor such computations shall be made on a contract by contract basis (as opposed to on an Account Debtor basis).

"**Accounts**" shall mean all the funds and accounts now or hereafter owned or held by a Borrower and all monies, Receivables, Investment Property, Security Entitlements and other property on deposit therein or credited thereto, including without limitation, all "Accounts," as such term is now or hereafter defined in the UCC, whether now owned or hereafter acquired, including (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper or Instruments), including any such obligations that may be characterized as an account or contract right by the UCC, (b) all rights in, to and under all purchase orders or receipts for goods or services, (c) all rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or

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repossessed goods), (d) all rights to payment due for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered in connection with any other transaction (whether or not yet earned by performance), (e) all "health care insurance receivables", as defined in the UCC and (f) all collateral security of any kind, given by any person or entity with respect to any of the foregoing.

"**ADA**" shall have the meaning attributed to such term in Section 5.14(a) of this Agreement.

"**Additional Base Rate Interest Margin**" shall have the meaning attributed to such term in the Revolving Facility Notes and in ***Exhibit 7*** attached to this Agreement.

"**Additional Libor Interest Margin**" shall have the meaning attributed to such term in the Revolving Facility Notes and in ***Exhibit 7*** attached to this Agreement.

"**Agency Fee**" shall have the meaning assigned to such term in Section 1.7(b) of this Agreement.

"**Agent**" shall mean Citizens Bank, acting in its capacity as agent for the Lenders, or any successor Agent appointed pursuant to Section 10.10 of this Agreement.

"**Agreement**" or "**Loan Agreement**" shall mean this Business Loan and Security Agreement, together with the schedules and exhibits attached hereto, and any and all amendments or modifications of this Business Loan and Security Agreement.

"**Allied Documents**" shall mean any and all documents, instruments and agreements now or hereafter executed, issued and/or delivered in connection with the Junior Facilities (or either of them).

"**Applicable Interest Rate**" shall mean either the (i) LIBOR Lending Rate, plus the Additional Libor Interest Margin or (ii) Base Rate, plus the Additional Base Rate Interest Margin, as set forth in the Notes.

"**Applicable Laws**" shall mean any federal, state or local law, ordinance, statute, rule or regulation to which any Borrower or the property of any Borrower is subject, whether domestic or international.

"**Applicable Percentage**" shall mean: (i) from and after the date hereof until the date which is one (1) year from the date hereof, seventy-five percent (75%), (ii) from and after the date which is one (1) year from the date hereof until the date which is two (2) years from the date hereof, sixty percent (60%); and (iii) from and after the date which is two (2) years from the date hereof, fifty percent (50%).

"**Approved International Organization**" shall mean any of the international multilateral organizations listed on ***Schedule A*** hereto, or any other international multilateral

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organization deemed acceptable by the Agent from time to time, in its sole and absolute discretion.

"**Asset Coverage Ratio**" shall have the meaning attributed to such term in Section 6.15(b) of this Agreement.

"**Base Rate**" shall mean the higher of the (i) Federal Funds Rate plus one-half of one percent (0.50%) or (ii) the Prime Rate.

"**Board**" shall have the meaning attributed to such term in the definition of "LIBOR Reserve Percentage".

"**Borrower**" and "**Borrowers**" shall have the meaning set forth in the preamble to this Agreement.

"**Borrowing Base/Non-Default Certificate**" shall mean a certificate in the form of ***Exhibit 4*** hereto.

"**Borrowing Base Deficiency**" shall have the meaning attributed to such term in Section 1.3 of this Agreement.

"**Business Day**" shall mean (a) any day which is neither a Saturday or Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in the State of Maryland; (b) when such term is used to describe a day on which a borrowing, payment, prepaying, or repaying is to be made in respect of any LIBOR Rate Loan, any day which is: (i) neither a Saturday or Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in New York City; and (ii) a London Banking Day; and (c) when such term is used to describe a day on which an interest rate determination is to be made in respect of any LIBOR Rate Loan, any day which is a London Banking Day.

"**Carryover Year**" shall have the meaning attributed to such term in Section 6.15(d) of this Agreement.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.).

"**Chattel Paper**" shall have the meaning attributed to such term by the UCC, and shall include "electronic chattel paper" and "tangible chattel paper", as such terms are defined in the UCC, whether now owned or hereafter acquired by a Borrower.

"**Citizens Bank**" shall mean Citizens Bank of Pennsylvania, a Pennsylvania state chartered bank, acting individually, together with its successors and assigns.

"**Closing**" shall mean the settlement of the transactions contemplated by this Agreement.

"**Closing Date**" shall mean the date on which the Closing occurs.

"**Collateral**" shall have the meaning attributed to such term in Article 3 of this Agreement.

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“**Collateral Accounts**” shall have the meaning attributed to such term in Article 8 of this Agreement.

“**Commercial Contract**” shall mean any written or oral contract to which a Borrower is a party (other than a U.S. Government Contract or U.S. Government Subcontract) which gives rise or may give rise to Receivables.

“**Commercial Tort Claims**” shall have the meaning attributed to such term by the UCC, and shall include any and all claims now existing or hereafter arising in tort with respect to which (a) the claimant is an organization, or (b) the claimant is an individual and the claim (i) arose in the course of the claimant' s business or profession, and (ii) does not include damages arising out of personal injury to or death of any individual.

“**Commitment Amount**” shall mean Thirty-Five Million and No/100 Dollars ($35,000,000.00), or if the maximum aggregate commitment of the Lenders hereunder is reduced pursuant to the terms of this Agreement, such lesser amount.

“**Consolidated Net Income**” shall mean, for any period of determination, the sum of consolidated gross revenues of the Borrowers for such period, minus all consolidated operating and non-operating expenses (including taxes) of the Borrowers for such period, all as determined in accordance with GAAP.

“**Contribution Agreement**” shall mean the Contribution Agreement of even date herewith, by and among the Borrowers, and delivered by the Borrowers prior to or simultaneously with their execution and delivery of this Agreement or a Joinder Agreement (as the case may be), together with all Agent-approved amendments and modifications thereof hereafter executed and delivered by the Borrowers.

“**Deposit Accounts**” shall have the meaning attributed to such term by the UCC, and shall include any demand, time, savings, passbook or similar account from time to time established and maintained with a bank.

“**Documents**” shall have the meaning attributed to such term by the UCC, and shall include any and all documents of any type and nature whether now owned or hereafter created or acquired.

“**EBITDA**” shall mean, as of the date of any determination, the consolidated net income of the Parent Company, including all Borrowers and Non-Borrower Subsidiaries, plus interest expense, plus taxes, plus depreciation expense, plus amortization expense, plus any non-cash, non-recurring charges against income approved in writing by the Agent, minus any non-cash gain (to the extent included in determining net income), minus any dividends paid in accordance with Section 7.8(a) of this Agreement to the extent not deducted from net income, all as determined on a rolling four (4) quarter consolidated basis in accordance with GAAP. Additionally, any transaction costs for the closing of the Facilities and any prepayment penalties or other costs related to refinancing the Borrowers' existing bank debt may be added back to net income in calculating EBITDA.

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“**Eligible Assignee**” shall mean any Lender, an affiliate of any Lender, a Federal Reserve Bank or any other “Qualified Institutional Buyer”, as such term is defined under Rule 144(A), promulgated under the Securities Act of 1933, as amended.

“**Eligible Billed Commercial Accounts Receivable**” shall mean all Receivables which (a) represent amounts due and owing for products actually delivered or services actually performed or rendered by or on behalf of a Borrower to or for the benefit of an Account Debtor pursuant to a Commercial Contract; (b) have been properly billed; (c) are outstanding less than ninety-one (91) days from the date of original invoice; (d) arise in the ordinary course of the Borrower’ s business; (e) are due, owing and not subject to any defense, set-off or counterclaim; ; and (f) are not otherwise Ineligible Receivables.

“**Eligible Billed Foreign Accounts Receivable**” shall mean all Receivables of ORC Holdings, Ltd and O.R.C. International, Ltd. which (a) represent amounts due and owing for products actually delivered or services actually performed or rendered by or on behalf of a Borrower to or for the benefit of a foreign Account Debtor; (b) are outstanding less than ninety-one (91) days from the date of original invoice; (c) have been properly billed; (d) arise in the ordinary course of the Borrower’ s business; (e) are due, owing and not subject to any defense, set-off or counterclaim; ; and (f) are not otherwise Ineligible Receivables.

“**Eligible Billed Government Accounts Receivable**” shall mean all Receivables arising from Government Contracts (including Government Subcontracts) which (a) represent amounts due and owing for products actually delivered or services actually performed or rendered by or on behalf of a Borrower pursuant to a Government Contract (or Government Subcontract); (b) have been properly billed; (c) are outstanding less than ninety-one (91) days from the date of original invoice; (d) arise in the ordinary course of the Borrower’ s business; (e) are due, owing and not subject to any defense, set-off or counterclaim; (f) are not final invoices; and (g) are not otherwise Ineligible Receivables.

“**Eligible Unbilled Commercial Accounts Receivable**” shall mean all Receivables arising from work actually performed by any Borrower pursuant to a Commercial Contract which (a) are eligible to be billed to the Account Debtor in accordance with the applicable Commercial Contract within sixty (60) days of the “as of” date of the applicable Borrowing Base/Non-Default Certificate (with no additional performance required by any person, and no condition to payment by the Account Debtor, other than receipt of an appropriate invoice); (b) have not been billed to the Account Debtor solely as a result of timing differences between the date the revenue is recognized on such Borrower’ s books and the date the invoice is actually rendered; (c) represent revenue recognized on the books of such Borrower not more than ninety (90) days prior to the “as of” date of the applicable Borrowing Base/Non-Default Certificate as it relates to “milestones” (with no additional performance required by any person, and no condition to payment by the Account Debtor; i.e., all necessary written consents and approvals have been obtained, whether in connection with a required contract modification or otherwise); (d) may, in accordance with GAAP, be included as current assets of such Borrower, even though such amounts have not been billed to the Account Debtor; and (e) are not Ineligible Receivables.

“**Eligible Unbilled Foreign Accounts Receivable**” shall mean all Receivables of ORC Holdings, Ltd and O.R.C. International, Ltd. arising from work actually performed by any Borrower pursuant to a Commercial Contract which (a) are eligible to be billed to the Account

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Debtor in accordance with the applicable Commercial Contract within sixty (60) days of the "as of" date of the applicable Borrowing Base/ Non-Default Certificate (with no additional performance required by any person, and no condition to payment by the Account Debtor, other than receipt of an appropriate invoice); (b) have not been billed to the Account Debtor solely as a result of timing differences between the date the revenue is recognized on such Borrower' s books and the date the invoice is actually rendered; (c) represent revenue recognized on the books of such Borrower not more than ninety (90) days prior to the "as of" date of the applicable Borrowing Base/Non-Default Certificate as it relates to "milestones" (with no additional performance required by any person, and no condition to payment by the Account Debtor; i.e., all necessary written consents and approvals have been obtained, whether in connection with a required contract modification or otherwise); (d) may, in accordance with GAAP, be included as current assets of such Borrower, even though such amounts have not been billed to the Account Debtor; and (e) are not Ineligible Receivables.

"**Eligible Unbilled Government Accounts Receivable**" shall mean all Receivables arising from work actually performed by any Borrower pursuant to a Government Contract (including a Government Subcontract) which (a) are eligible to be billed to the Government (or Prime Contractor) in accordance with the applicable Government Contract (or Government Subcontract) within sixty (60) days of the "as of" date of the applicable Borrowing Base/Non-Default Certificate (with no additional performance required by any person, and no condition to payment by the Government (or Prime Contractor), other than receipt of an appropriate invoice); (b) have not been billed to the Government (or Prime Contractor) solely as a result of timing differences between the date the revenue is recognized on such Borrower' s books and the date the invoice is actually rendered; (c) represent revenue recognized on the books of such Borrower not more than ninety (90) days prior to the "as of" date of the applicable Borrowing Base/Non-Default Certificate as it relates to "milestones" (with no additional performance required by any person, and no condition to payment by the Government (or Prime Contractor); i.e., all necessary written consents and approvals have been obtained, whether in connection with a required contract modification or otherwise); (d) may, in accordance with GAAP, be included as current assets of such Borrower, even though such amounts have not been billed to the Government (or Prime Contractor); and (e) are not Ineligible Receivables.

"**Equalization Payments**" shall have the meaning attributed to such term in Section 10.13(a) of this Agreement.

"**Equipment**" shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired and wherever located: machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

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“**ERISA**” shall have the meaning attributed to such term in Section 5.13(a) of this Agreement.

“**Event of Default**” shall have the meaning attributed to such term in Section 9.1 of this Agreement.

“**Excess Cash Event**” shall mean (i) any sale or disposition of any of the assets of any Borrower which is (a) not in the ordinary course of business; or (b) prohibited by the terms of this Agreement; (ii) the issuance by any Borrower after the date of this Agreement to parties other than the current shareholders of such Borrower of debt securities or other debt obligations (other than in connection with debt expressly permitted pursuant to Section 7.7 of this Agreement); (iii) the receipt by or on behalf of any Borrower of insurance proceeds (other than insurance recoveries for business interruption loss, workers compensation or damage to tangible property, which (a) with respect to any of the foregoing insurance losses, do not exceed One Million and No/100 Dollars ($1,000,000.00), individually or in the aggregate, and (b) with respect to insurance recoveries for damages to tangible property, are promptly applied toward repair or replacement of the damaged property); (iv) the reversion of any pension plan assets; and/or (v) any other cash revenue recognized by such Borrower other than in the ordinary course of such Borrower’ s business resulting in excess cash to a Borrower, including, without limitation, cash proceeds resulting from the issuance of additional equity interests or capital stock by a Borrower.

“**Facility**” or “**Facilities**” shall mean the Revolving Facility and/or the Swing Line Facility, individually or collectively, as the context may require.

“**Federal Funds Rate**” for any day shall mean the rate per annum (rounded upward to the nearest 1/8 of 1%) determined by the Agent to be the rate per annum announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight Federal Funds transactions arranged by Federal Funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the “Federal Funds Effective Rate” as of the date of this Agreement; provided that if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the “Federal Funds Effective Rate” for such day shall be the Federal Funds Rate for the last day on which such rate was announced.

“**First Horizon**” shall mean First Horizon Bank, a division of First Tennessee Bank National Association.

“**Fixed Charge Coverage Ratio**” shall have the meaning attributed to such term in Section 6.15(a) of this Agreement.

“**Foreign Bank Accounts**” shall have the meaning attributed to such term in Section 6.8 of this Agreement.

“**GAAP**” shall mean generally accepted accounting principles, consistently applied, as in effect from time to time. The parties hereto acknowledge that GAAP may change from time to time, and such changes may affect the calculation of the covenants set forth in Section 6.15 hereof, causing an Event of Default hereunder. If an Event of Default shall occur solely as

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a result of such changes in GAAP, the parties shall negotiate to achieve a mutually acceptable amendment to the calculation of the breached covenants set forth in Section 6.15.

"**General Intangibles**" shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter created or acquired: all right, title and interest in or under any contract, all "payment intangibles", as defined in the UCC, customer lists, licenses, copyrights, trademarks, patents, and all applications therefor and reissues, extensions or renewals thereof, rights in intellectual property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any trademark or trademark license), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged stock and investment property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents.

"**Goods**" shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired and wherever located: embedded software to the extent included in "goods" as defined in the UCC, manufactured homes, standing timber that is cut and removed for sale and "as-extracted collateral" as defined in the UCC.

"**Government**" shall mean the United States government, any state government, any local government, any department, instrumentality or any agency of the United States government, any state government or any local government, or any Approved International Organization.

"**Government Contract Assignments**" shall have the meaning attributed to such term in Section 6.11 of this Agreement.

"**Government Contract**" and "**Government Contracts**" shall mean, individually or collectively as the context may require, (i) written contracts between any Borrower and the Government; and (ii) written subcontracts between any Borrower and a Prime Contractor who is providing goods or services to the Government pursuant to a written contract with the Government (a "Government Subcontract"), provided that the subcontract relates only to goods or services being provided to the Government pursuant to the Government Subcontract.

"**Government Subcontract**" shall have the meaning attributed to such term in the definition of "Government Contract".

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“**Hazardous Substance**” shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, pollutants or contaminants as defined in CERCLA, HMTA, RCRA or any other applicable environmental law, rule, order or regulation.

“**Hazardous Wastes**” shall mean, without limitation, all waste materials subject to regulation under CERCLA, RCRA or analogous state law, and/or any other applicable Federal and/or state law now in force or hereafter enacted relating to hazardous waste treatment or disposal.

“**Hedging Contracts**” shall mean interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, or any other agreements or arrangements entered into between any Borrower and the Agent or a Lender and designed to protect such Borrower against fluctuations in interest rates or currency exchange rates.

“**Hedging Obligations**” shall mean all liabilities of any and all Borrowers to the Agent or a Lender under Hedging Contracts.

“**HMTA**” shall mean the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et seq.)

“**Indebtedness**” shall mean, without duplication (a) all obligations of the Borrowers in respect of money borrowed; (b) all obligations of the Borrowers (other than trade debt incurred in the ordinary course of the Borrowers’ business), whether or not for borrowed money, (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered; (c) capital lease obligations of the Borrowers; (d) all obligations of the Borrower to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatorily redeemable stock issued by any Borrower, valued at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (e) each Borrower’ s pro rata share of the Indebtedness of any unconsolidated affiliate of such Borrower (including Indebtedness of any partnership or joint venture in which such Borrower is a general partner or joint venturer to the extent of such Borrower’ s pro rata share of the ownership of such partnership or joint venture), (f) all obligations of any other person or entity which any Borrower has guaranteed, (g) reimbursement obligations in connection with letters of credit issued for the benefit of any Borrower, and (h) the Obligations.

“**Ineligible Receivables**” shall mean Receivables which are (i) evidenced by a promissory note or similar instrument; (ii) owed or payable by any Account Debtor if payment of fifty percent (50%) or more of the aggregate balance due from such Account Debtor is outstanding for more than ninety (90) days from the date of original invoice (iii) owing from any person that is the subject of any (a) suit, lien, levy or judgment which would or could reasonably be expected to affect the collectibility of said account(s), or (b) bankruptcy, insolvency or a similar process or proceeding; (iv) owing from foreign Account Debtors, but do not constitute

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Eligible Billed Foreign Accounts Receivable; (v) unbilled accounts receivable (except as otherwise specified herein); (vi) final invoices arising from Government Contracts; (vii) bonded accounts receivable; or (viii) other Receivables deemed ineligible by the Agent in its sole but reasonable discretion. Additionally, without limiting any other provision of this Agreement, or the discretion of the Agent to deem Receivables ineligible pursuant to any other provision of this Agreement, it is expressly understood and agreed that if any Borrower (I) has been debarred or suspended by the Government, or been issued a notice of proposed debarment or notice of proposed suspension by the Government; (II) is the subject of a Government investigation involving or possibly involving fraud, willful misconduct or other wrongdoing; (III) is a party to any Government Contract or Government Subcontract which has been actually terminated due to such Borrower' s alleged fraud, willful misconduct or any other wrongdoing; (IV) is a party to any Government Contract or Government Subcontract which has been actually terminated for any other reason whatsoever, which could result in liability or expense in excess of One Million and No/100 Dollars ($1,000,000.00); or (V) has been issued a cure notice or show cause notice under any Government Contract or Government Subcontract involving amounts in excess of One Million and No/100 Dollars ($1,000,000.00), and has failed to cure the default giving rise to such cure notice or failed to resolve the matter set forth in the show cause notice (a) within the time period available to such Borrower pursuant to such Government Contract, Government Subcontract and/or such notice, or (b) before the date on which the Government or other contracting party is entitled to exercise its rights and remedies under the Government Contract or Government Subcontract (as a the case may be) as a consequence of such default or matter set forth in the show cause notice, then in any such event, any and all Receivables of such Borrower may, in the sole discretion of the Agent, be deemed and treated as Ineligible Receivables.

"**Instrument**" shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired and wherever located: all certificates of deposit, and all "promissory notes", as defined in the UCC, and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"**Interest Expense**" shall mean, as of the date of any determination, the Borrowers' aggregate interest expense for borrowed money (including, without limitation, premiums and interest expense arising from or relating to interest rate protection agreements and original issue discounts), plus the amount of all other interest due (whether paid or not paid) on any indebtedness of each Borrower for the applicable measurement period, all as determined on a consolidated basis in accordance with GAAP.

"**Interest Payment Date**" shall mean, relative to any LIBOR Rate Loan having an Interest Period of three (3) months or less, the last Business Day of such Interest Period, and as to any LIBOR Rate Loan having an Interest Period longer than three (3) months, each Business Day which is three (3) months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

"**Interest Period**" shall mean, relative to any LIBOR Rate Loans, (i) initially, the period beginning on (and including) the date on which such LIBOR Rate Loan is made or continued as, or converted into, a LIBOR Rate Loan pursuant to this Agreement (including, without limitation, ***Exhibit 3*** hereto) and the Notes and ending on (but excluding) the day which numerically corresponds to such date one (1), three (3) or six (6) months thereafter (or, if such

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month has no numerically corresponding day, on the last Business Day of such month), in each case as available and as the Borrower may select in its notice pursuant to this Agreement (including, without limitation, ***Exhibit 3*** hereto) and the Notes; and (ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such LIBOR Rate Loan and ending one (1), three (3) or six (6) months thereafter, as available and as selected by the Borrower by irrevocable notice to the Agent not less than two (2) Business Days prior to the last day of the then current Interest Period with respect thereto.

"**Inventory**" shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired and wherever located: all inventory, merchandise, goods and other personal property for sale or lease or which are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind, nature or description used or consumed or to be used or consumed or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

"**Investment Property**" shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired: (a) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, United States treasury obligations, certificates of deposit, and mutual fund shares; (b) all Securities Entitlements, including the rights to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (c) all securities accounts; (d) all commodity contracts; and (e) all commodity accounts.

"**Issuing Lender**" shall mean the Lender issuing a Letter of Credit to any Borrower.

"**Joinder Agreement**" shall have the meaning attributed to such term in Section 1.9 of this Agreement.

"**Junior Facilities**" shall have the meaning attributed to such term in Section 4.7 of this Agreement.

"**Lender**" and "**Lenders**" shall mean, respectively, each and all of the banking or financial institutions which, as of any date of determination, are (i) "Lender" parties to this Agreement, and/or (ii) otherwise bound by the terms and provisions of this Agreement and the other Loan Documents applicable to any and all Lenders generally, pursuant to an Assignment and Acceptance or any other document, instrument or agreement, in form and substance acceptable to the Agent.

"**Letter of Credit**" and "**Letters of Credit**" shall mean, respectively, each and all of the standby letters of credit issued pursuant to this Agreement.

"**Letter of Credit Application**" shall have the meaning attributed to such term in Section 2.1 of this Agreement.

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“**Letter of Credit Administration Fee**” shall have the meaning attributed to such term in Section 1.7(d) of this Agreement.

“**Letter of Credit Rights**” shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired: any right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance, but specifically excludes any right of a beneficiary to demand payment or performance under a letter of credit.

“**Leverage Ratio**” shall have the meaning attributed to such term in Section 6.15(c) of this Agreement.

“**LIBOR**” or “**LIBOR Rate**” shall mean relative to any Interest Period for LIBOR Rate Loans, the offered rate for deposits of U.S. Dollars in an amount approximately equal to the amount of the requested LIBOR Rate Loan for a term coextensive with the designated Interest Period which the British Bankers' Association fixes as its LIBOR rate and which appears on the Telerate Page 3750 as of 11:00 a.m. London time on the day which is two (2) London Banking Days prior to the beginning of such Interest Period, or as determined by the Agent if such information is not available.

“**LIBOR Election Form and Certification**” shall mean the form attached as ***Exhibit 2*** hereto.

“**LIBOR Rate Loan**” shall mean any loan or advance, the rate of interest applicable to which is based upon the LIBOR Rate.

“**LIBOR Lending Rate**” shall mean, relative to any LIBOR Rate Loan to be made, continued or maintained as, or converted into, a LIBOR Rate Loan for any Interest Period, a rate per annum determined pursuant to the following formula:

$$\text{LIBOR Lending Rate} = \frac{\text{LIBOR Rate}}{(1.00 - \text{LIBOR Reserve Percentage})}$$

“**LIBOR Reserve Percentage**” shall mean, relative to any day of any Interest Period for LIBOR Rate Loans, the maximum aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) under any regulations of the Board of Governors of the Federal Reserve System (the “Board”) or other governmental authority having jurisdiction with respect thereto as issued from time to time and then applicable to assets or liabilities consisting of “Eurocurrency Liabilities”, as currently defined in Regulation D of the Board, having a term approximately equal or comparable to such Interest Period.

“**Lien Subordination Agreement**” shall mean that certain Lien Subordination Agreement dated the date hereof by and among the Borrowers, Allied Capital Corporation and the Agent.

“**Loan**” shall mean the loans made by the Lenders to the Borrowers in the aggregate maximum principal amount of Thirty-Five Million and No/100 Dollars ($35,000,000.00), or so

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much thereof as shall be advanced or readvanced from time to time, which are represented by the Facilities, and which shall be evidenced by, bear interest and be payable in accordance with the terms and provisions set forth in the Notes.

“**Loan Document**” and “**Loan Documents**” shall mean, respectively, each and all of this Agreement, the Notes, the Stock Security Agreements and each other document, instrument, agreement or certificate heretofore, now or hereafter executed and delivered by any Borrower in connection with the Loan.

“**Loan Year**” shall mean any twelve (12) month period, commencing on the Closing Date and on each anniversary thereof.

“**London Banking Day**” shall mean a day on which dealings in US dollar deposits are transacted in the London interbank market.

“**Mandatory Payments**” shall mean the mandatory payments required to be made on the Loan pursuant to Section 1.5 of this Agreement.

“**Material Adverse Effect**” shall mean any set of facts or circumstances resulting in a material adverse change to any Borrower’ s business, property, profits, condition (financial or otherwise), or the ability of any Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Material Contract**” shall mean any and all contracts or agreements to which the Borrower is a party and pursuant to which the Borrower is or may be (a) entitled to receive payments in excess of One Million and No/100 Dollars ($1,000,000.00), in the aggregate, per annum, or (b) obligated to make payments or have any other obligation or liability thereunder (direct or contingent) in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00), in the aggregate, per annum.

“**Maximum Borrowing Base**” shall have the meaning attributed to such term in Section 1.3 of this Agreement.

“**Net Cash**” shall mean cash proceeds (net of cash taxes paid and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any Excess Cash Event.

“**Non-Borrower Subsidiaries**” shall mean, collectively, ORC Korea, Ltd., ORC Teleservice Corp., Opinion Research Corporation, S.A. de C.V., ORC International Holdings, Ltd. and ORC Telecommunications Ltd.

“**Note**” and “**Notes**” shall mean, respectively, each and all of the promissory notes executed, issued and delivered pursuant to this Agreement, together with all extensions, renewals, modifications, replacements and substitutions thereof and therefor.

“**Obligation**” and “**Obligations**” shall mean, respectively, any and all obligations or liabilities of any Borrower to any Lender or the Agent (including any and all obligations or liabilities with respect to outstanding Letters of Credit) in connection with the Loan, whether now existing or hereafter created or arising, direct or indirect, matured or unmatured, and

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whether absolute or contingent, joint, several or joint and several, and no matter how the same may be evidenced or shall arise.

"**Ordinary Course Payments**" shall mean payments made directly by a Borrower to any non-Borrower subsidiary or affiliate; provided that such payments are made (i) in the ordinary course of such Borrower' s business, (ii) for products actually delivered or services actually performed, and (iii) pursuant to an "arm' s length" transaction (i.e., a transaction that would otherwise be made with an unrelated and unaffiliated third party).

"**O.S.H.A.**" shall have the meaning attributed to such term in Section 5.14(a) of this Agreement.

"**Parent Company**" shall mean Opinion Research Corporation, a Delaware corporation, and its successors and assigns.

"**Participating Lender**" shall have the meaning attributed to such term in Section 12.11(b) of this Agreement.

"**Patriot Act**" shall mean the U.S.A. Patriot Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)), as amended.

"**Pension Plan**" or "**Pension Plans**" shall have the meaning attributed to such term in Section 5.13(a) of this Agreement.

"**Percentage**" shall mean with respect to each Lender, the percentage set forth next to such Lender' s name on ***Schedule 1*** to this Agreement in respect of the Revolving Facility Commitment Amount and/or the Swing Line Commitment Amount (as the context may require), as the same may be modified or amended from time to time.

"**Permitted Liens**" shall mean: (a) liens for taxes which are not yet due and payable or which are being contested in good faith and by appropriate proceedings, which (i) the Borrower has the financial ability to pay, including penalties and interest, and (ii) the non-payment thereof will not result in the execution of any such tax lien or otherwise jeopardize the interests of the Agent and/or the Lenders in any part of the Collateral; (b) deposits or pledges to secure obligations under workers' compensation, social security or similar laws, incurred in the ordinary course of business; (c) liens securing secured indebtedness of the Borrowers permitted by Section 7.7 of this Agreement; (d) cash deposits pledged to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature made in the ordinary course of business; (e) mechanics' , workmen' s, repairmen' s, warehousemen' s, vendors' or carriers' liens or other similar liens; provided that such liens arise in the ordinary course of the Borrowers' business and secure sums which are not past due, or which are separately secured by cash deposits or pledges in an amount adequate to obtain the release of such liens; (f) except as otherwise provided in this Agreement, statutory or contractual landlord' s liens on the Borrower' s tangible personal property located in such Borrower' s demised premises; (g) zoning or other similar and customary land use restrictions, which do not materially impair the use or value of any Collateral or property of any Borrower; (h) judgment liens which are not prohibited by Section 7.4 of this Agreement; (i) other liens expressly permitted by the terms and provisions of this Agreement; (j) liens securing purchase money indebtedness to the extent such indebtedness

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is expressly permitted pursuant to Section 7.7(a) of this Agreement; and (k) liens in favor of the Agent.

"**Prime Contractor**" shall mean any person or entity (other than a Borrower) which is a party to any Government Subcontract.

"**Prime Rate**" shall mean the rate of interest from time to time established and publicly announced by Citizens Bank as its prime rate, in Citizens Bank' s sole discretion, which rate of interest may be greater or less than other interest rates charged by Citizens Bank to other borrowers and is not solely based or dependent upon the interest rate which Citizens Bank may charge any particular borrower or class of borrowers.

"**Proceeds**" shall have the meaning attributed to such term by the UCC or other applicable law, and, in any event, shall include, but shall not be limited to, any and all of the following, whether now owned or hereafter acquired: (i) any and all proceeds of, or amounts (in any form whatsoever, whether cash, securities, property or other assets) received under or with respect to, any insurance, indemnity, warranty or guaranty payable from time to time, and claims for insurance, indemnity, warranty or guaranty effected or held with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever, whether cash, securities, property or other assets) made or due and payable 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), (iii) any claim against third parties (a) for past, present or future infringement of any patent or patent license, or (b) for past, present or future infringement or dilution of any copyright, copyright license, trademark or trademark license, or for injury to the goodwill associated with any trademark or trademark license, (iv) any recoveries against third parties with respect to any litigation or dispute concerning any of the Collateral including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral, (v) all amounts collected on, or distributed on account of, other Collateral, including dividends, interest, distributions and Instruments with respect to Investment Property and pledged stock, and (vi) any and all other amounts (in any form whatsoever, whether cash, securities, property or other assets) from time to time paid or payable under or in connection with any of the Collateral (whether or not in connection with the sale, lease, license, exchange or other disposition of the Collateral).

"**RCRA**" shall mean the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901 et. seq.).

"**Receivables**" shall mean all of the Borrowers' present and future accounts, contracts, contract rights, chattel paper, general intangibles, notes, drafts, acceptances, chattel mortgages, conditional sale contracts, bailment leases, security agreements, contribution rights and other forms of obligations now or hereafter arising out of or acquired in the course of or in connection with any business the Borrowers conduct, together with all liens, guaranties, securities, rights, remedies and privileges pertaining to any of the foregoing, whether now existing or hereafter created or arising, and all rights with respect to returned and repossessed items of inventory.

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“**Releases**” shall have the meaning attributed to such term in Section 5.14(c) of this Agreement.

“**Request for Advance and Certification**” shall mean the form Request for Advance and Certification attached as ***Exhibit 1*** hereto.

“**Required Lenders**” shall mean all of the Lenders who at any given time, are not in default under or in breach of any of the terms and conditions of this Agreement applicable to such Lender, and who hold Notes or participation interests representing, in the aggregate, at least sixty-six and two-thirds percent (66 2/3%) of the Revolving Facility Commitment Amount (excluding the Swing Line Commitment Amount).

“**Revolving Facility Notes**” shall mean each and all of the promissory notes executed, issued and delivered in connection with the Revolving Facility, together with all extensions, renewals, modifications, replacements and substitutions thereof and therefor.

“**Revolving Facility**” shall mean the revolving credit facility being extended pursuant to this Agreement on the basis of Eligible Billed Government Accounts Receivable, Eligible Billed Commercial Accounts Receivable, Eligible Billed Foreign Accounts Receivable and the Applicable Percentage of the sum of Eligible Unbilled Government Accounts Receivable, Eligible Unbilled Commercial Accounts Receivable and Eligible Unbilled Foreign Accounts Receivable, in the maximum principal amount of Thirty-five Million and No/100 Dollars ($35,000,000.00), with a sub-limit of Five Million and No/100 Dollars ($5,000,000.00) for Letters of Credit.

“**Revolving Facility Commitment Amount**” shall mean Thirty-five Million and No/100 Dollars ($35,000,000.00), or if such amount shall be reduced pursuant to this Agreement, such lesser amount.

“**Revolving Facility Commitment Fee**” shall have the meaning attributed to such term in Section 1.7(b) of this Agreement.

“**Revolving Facility Maturity Date**” shall mean May __, 2007 or such earlier date on which the Obligations have been accelerated and declared immediately due and payable in accordance with the terms of this Agreement and/or applicable law.

“**Security Entitlements**” shall have the meaning attributed to such term by the UCC, and shall include any and all Security Entitlements whether now owned or hereafter created or acquired.

“**Stock Security Agreements**” shall mean each and all of the five (5) separate Stock Security Agreements dated the date hereof, executed by the Parent Company, ORC, Inc., Macro International Inc., Social & Health Services, Ltd. and ORC Holdings, Ltd., as pledgor/ debtor, and the Agent, as secured party, together with any and all other stock security agreements hereafter executed and delivered by any Borrower as security for repayment of the Loan, and any and all amendments and/or modifications of any of the foregoing stock security agreements**.**

“**Subordinated Debt**” shall have the meaning attributed to such term in Section 4.7 of this Agreement.

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“**Subordinated Debt Subordination Agreement**” shall mean that certain Subordination Agreement dated the date hereof by and among the Borrowers, Allied Capital Corporation and the Agent.

“**Subordination Agreements**” shall mean collectively, the Lien Subordination Agreement and the Subordinated Debt Subordination Agreement.

“**Supporting Obligations**” shall have the meaning attributed to such term by the UCC, and shall include any and all of the following, whether now owned or hereafter acquired: any and all letter of credit rights or secondary obligations that support the payment or performance of an Account, Chattel Paper, Document, General Intangible, Instrument or Investment Property.

“**Swing Line Commitment Amount**” shall mean Five Million and No/100 Dollars ($5,000,000.00).

“**Swing Line Commitment Period**” shall mean the period commencing on the Closing Date and ending on the Swing Line Termination Date.

“**Swing Line Facility**” shall mean the swing line credit facility being extended pursuant to this Agreement, in the original maximum principal amount equal to the Swing Line Commitment Amount.

“**Swing Line Lender**” shall mean Citizens Bank.

“**Swing Line Loan**” or “**Swing Line Loans**” shall have the meaning attributed to such terms in Section 1.1(b) of this Agreement.

“**Swing Line Note**” shall mean that certain Swing Line Promissory Note of even date herewith, made by the Borrowers and payable to the order of the Swing Line Lender, in the maximum principal amount of Five Million and No/100 Dollars ($5,000,000.00) or so much thereof as shall be advanced or readvanced, together with all extensions, renewals, modifications, replacements and substitutions thereof or therefor.

“**Swing Line Outstanding Amounts**” shall mean, as of any date of determination, the aggregate principal amount of all Swing Line Loans then outstanding.

“**Swing Line Termination Date**” shall mean the fifth (5th) Business Day prior to the Revolving Facility Maturity Date, or such earlier date on which the Swing Line Lender shall have elected, in its sole and absolute discretion, to terminate the Swing Line Facility.

“**Term Loan**” shall have the meaning attributed to such term in Section 4.7 of this Agreement.

“**Total Debt**” shall mean the actual amount of borrowed money (including, without limitation, subordinated debt, capital leases and synthetic leases that remain unpaid or outstanding on the “as of” date of any determination), plus the aggregate amount of any and all financial guarantees and the face amount of any and all outstanding letters of credit (except that outstanding loans under the Facilities will be the thirty (30) day average balance of the Facilities for the thirty (30) day period immediately preceding the “as of” date of the calculation).

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“**UCC**” shall mean the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of Maryland; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles or Divisions of the UCC, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Agent’ s lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Maryland, the term “UCC” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

“**UK Borrowers**” shall mean ORC Holdings, Ltd., an English Company and O.R.C. International Ltd., an English Company.

“**Unused Fee**” shall have the meaning attributed to such term in Section 1.7(c) of this Agreement.

INTERPRETIVE PROVISIONS

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms

(b) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and “Subsection”, “Section”, “Schedule” and “Exhibit” references are to this Agreement unless otherwise specified.

(c) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(d) The article, section and paragraph headings of this Agreement are for convenience of reference only, and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

(e) This Agreement and the other Loan Documents are the result of negotiations among all parties hereto, and have been reviewed by counsel to the Agent, the Borrowers and the Lenders, and are the products of all parties. Accordingly, this Agreement and the other Loan Documents shall not be construed against the Agent or the Lenders merely because of the Agent’ s or Lenders’ involvement in their preparation.

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ARTICLE 1
COMMITMENT

1.1. **Maximum Loan Amount.**

(a) Subject to the terms and conditions of this Agreement, (i) each Lender severally agrees to make the Loan to the Borrowers (except for the Swing Line Loan, which shall be extended only by the Swing Line Lender), with the maximum amount of each Lender' s obligation being equal to the Lender' s Percentage of the Commitment Amount; and (ii) as set forth more fully in Section 1.1(b) below, the Swing Line Lender will make the Swing Line Loan to the Borrowers. The Loan, including the Swing Line Loan, shall bear interest and be payable in accordance with the terms and provisions of and be initially evidenced by three (3) promissory notes, two (2) of which shall evidence the Revolving Facility and one (1) of which shall evidence the Swing Line Facility. Concurrent with the Borrowers' execution of this Agreement, Citizens Bank shall receive (x) a revolving promissory note in the maximum principal amount of Twenty Five Million and No/100 Dollars ($25,000,000.00) or so much thereof as shall be advanced or readvanced, and (y) the Swing Line Note, and First Horizon shall receive a revolving promissory note in the maximum principal amount of Ten Million and No/100 Dollars ($10,000,000.00) or so much thereof as shall be advanced or readvanced; and

(b) Subject to the terms and conditions of this Agreement, the Swing Line Lender shall make swing line loans (each, a "Swing Line Loan" and collectively, the "Swing Line Loans") to the Borrowers from time to time during the Swing Line Commitment Period, in the aggregate principal amount at any one time outstanding not to exceed Five Million and No/100 Dollars ($5,000,000.00) and in advance increments of One Hundred Thousand and No/100 Dollars ($100,000.00); provided, however, that at no time may the aggregate outstanding principal amount of the Swing Line Loans, plus the aggregate outstanding principal amount of the Revolving Facility (including the aggregate face amount of all Letters of Credit outstanding), exceed the Commitment Amount. During the Swing Line Commitment Period, the Borrowers may use the Swing Line Facility by borrowing, repaying Swing Line Loans in whole or in part (in minimum increments of One Hundred Thousand and No/100 Dollars ($100,000.00)), and reborrowing, all in accordance with the terms of this Agreement. At the request of the Swing Line Lender, the Agent may, at any time, on behalf of the Borrowers (which hereby irrevocably direct the Agent to act on their behalf) request each Lender having a Percentage of the Revolving Facility, including the Swing Line Lender, to make, and each such Lender, including the Swing Line Lender, shall make an advance under the Revolving Facility, in an amount equal to such Lender' s Percentage of the Revolving Facility, of the amount of the Swing Line Outstanding Amounts as of the date such request is made. In such event, each such Lender shall make the requested proceeds available to the Agent for the account of the Swing Line Lender in accordance with the funding provisions set forth in this Agreement. The proceeds of the Revolving Facility advanced pursuant to this Section 1.1(b) shall be immediately applied to repay the Swing Line Outstanding Amounts.

1.2. **Use of Proceeds.** The Loan shall be used by the Borrowers only for the following purposes: (a) for working capital, general corporate needs and letters of credit; (b) to refinance certain existing Indebtedness of the Borrowers; and (c) to finance Lender-approved costs and expenses incurred by the Borrowers in connection with the Closing. Each Borrower

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agrees that it will not use or permit the Loan proceeds to be used for any other purpose without the prior written consent of the Agent.

1.3. **Borrowing Base and Maximum Advances.** Notwithstanding any term or provision of this Agreement or any other Loan Document to the contrary, it is understood and agreed that in no event whatsoever shall the Lenders (including the Swing Line Lender) be obligated to advance any amount or issue any Letter of Credit hereunder if such advance or the issuance of such Letter of Credit would cause the aggregate amount of outstanding Loans (including Swing Line Outstanding Amounts), plus the face amount of all outstanding Letters of Credit, to exceed the lesser of:

(i) the Commitment Amount; or

(ii) the aggregate of (the "Maximum Borrowing Base"):

A. eighty-five percent (85%) of Eligible Billed Government Accounts Receivable; plus

B. eighty-five percent (85%) of Eligible Billed Commercial Accounts Receivable; plus

C. eighty-five percent (85%) of Eligible Billed Foreign Accounts Receivable; plus

D. the Applicable Percentage of the sum of Eligible Unbilled Government Accounts Receivable, Eligible Unbilled Commercial Accounts Receivable and Eligible Unbilled Foreign Accounts Receivable.

All determinations regarding the eligibility of any Receivable(s) (billed or unbilled) shall be made by the Agent in its sole but reasonable discretion; it being understood however, that at no time shall the availability from Eligible Billed and Unbilled Foreign Accounts Receivable be greater than twenty percent (20%) of the Maximum Borrowing Base. Assets acquired after the Closing Date by any Borrower other than in the ordinary course of business of such Borrower shall only be included in the calculation of the Maximum Borrowing Base with the Agent' s prior written consent.

In the event that the amount outstanding under the Revolving Facility (including the face amount of Letters of Credit and Swing Line Outstanding Amounts) exceeds any of the limitations set forth in this Section 1.3 (such excess being referred to herein as a "Borrowing Base Deficiency"), the Borrowers shall, within two (2) Business Days of the occurrence of such Borrowing Base Deficiency, make a principal payment in the amount of such deficiency so as to be in compliance with this Section 1.3. For purposes of calculating the Maximum Borrowing Base, such calculation shall be made based upon the immediately preceding Borrowing Base Certificate, as such calculation may be adjusted pursuant to this Agreement.

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1.4. **Advances, Interest and Repayment**.

(a) Agreement to Advance and Readvance; Procedure. So long as no Event of Default shall have occurred and be continuing, and no act, event or condition shall have occurred and be continuing which with notice or the lapse of time, or both, shall constitute an Event of Default, and subject to the terms and provisions of this Agreement, the Lenders (and the Swing Line Lender, as the case may be) shall advance and readvance the proceeds of the Revolving Facility and the proceeds of the Swing Line Facility (as applicable) from time to time in accordance with this Agreement. Requests for advances with respect to the Revolving Facility shall be in the form attached as ***Exhibit 1*** hereto, and requests for advances with respect to the Swing Line Facility shall be in the form attached as ***Exhibit 1(a)*** hereto. Requests for advances of Loan proceeds with respect to the Revolving Facility and the Swing Line Facility may be made via facsimile on any given Business Day if the Borrowers provide the Agent, in advance, with a written list of the names of the specific officers authorized to request disbursements by facsimile. Upon request by the Agent, the Borrowers shall confirm, in an original writing, each facsimile request for advance made by any Borrower. Notwithstanding the foregoing, (i) the Lenders shall have no obligation to make any advance with respect to the Revolving Facility after the Revolving Facility Maturity Date; and (ii) the Swing Line Lender shall have no obligation to make any advance with respect to the Swing Line Facility after the Swing Line Termination Date.

(b) Interest Rate Election; Certain Advance Procedures and Limits. Amounts advanced in connection with the Loan shall bear interest either on a Base Rate basis or LIBOR basis, as more fully set forth in the Notes and in the exhibits attached to this Agreement. Advances bearing interest on a Base Rate basis shall be in minimum and incremental amounts of One Hundred Thousand Dollars ($100,000.00), and shall be made available on a same-day basis, if requested by 12:00 Noon Washington, D.C. time on any Business Day. Advances bearing interest on a LIBOR basis shall be in minimum amounts of Five Hundred Thousand and No/100 Dollars ($500,000.00) and incremental amounts of One Hundred Thousand and No/100 Dollars ($100,000.00), and shall be made available not less than three (3) Business Days after request therefor. The Borrowers' right to request LIBOR based interest, as well as certain additional terms, conditions and requirements relating thereto, are set forth in the Notes and in the exhibits attached to this Agreement, and each Borrower expressly acknowledges and consents to such additional terms and provisions.

(c) Repayment. All sums advanced in connection with the Loan shall be repaid in accordance with the terms of the Notes and the other Loan Documents.

1.5. **Additional Mandatory Payments.** In addition to all other sums payable by the Borrowers pursuant to any of the Notes, this Agreement or any other Loan Document, the Borrowers shall also make mandatory payments on the Notes (applied first to Swing Line Outstanding Amounts (if any), and then to amounts outstanding under the Revolving Facility, as provided herein below), in the amount of one hundred percent (100%) of the cash proceeds (net of reasonable and customary costs (including taxes and repayment of applicable purchase money indebtedness) paid to unrelated and unaffiliated third parties in connection with the particular transaction) arising from any Excess Cash Event.

1.6. **Field Audits.** The Agent has the right at any time and in its sole discretion to conduct field audits with respect to the Collateral and each Borrower' s accounts receivable,

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inventory, business and operations. All field audits shall be at the cost and expense of the Borrowers; it being understood and agreed that, in the absence of an Event of Default, the Borrowers' shall only be required to pay for field audit costs and expenses with respect to one (1) field audit conducted during any twelve (12) month period (excluding, however, any field audits conducted by the Agent: (i) pursuant to Section 1.9 of this Agreement in connection with the joinder of a new "Borrower" hereunder, (ii) in connection with the acquisition by any Borrower of new assets not in the ordinary course of business of such Borrower, or (iii) prior to the Closing hereunder, the costs and expenses of all of which shall be paid by the Borrowers). Additionally, any and all field audits conducted following an Event of Default shall be at the Borrowers' cost and expense, with the foregoing limitation on field audit costs and expense being inapplicable.

1.7. **Certain Fees.** In addition to principal, interest and other sums payable pursuant to the Notes, the Borrowers shall pay the following fees:

(a) Upfront Fee. Simultaneously with the execution of this Agreement, the Borrowers shall pay to the Agent, for the benefit of all Lenders pro-rata based on each Lender' s Percentage, an upfront fee in the aggregate amount of One Percent (1%) of the Commitment Amount.

(b) Agency Fee. The Borrowers shall pay to the Agent, for its own account, an annual agency fee (the "Agency Fee"), in the amount of Twenty-Five Thousand and No/100 Dollars ($25,000.00) per annum. The Agency Fee shall be due and payable in full on the date of this Agreement and on each anniversary of the date of this Agreement.

(c) Unused Fee. So long as any amounts remain outstanding in connection with the Revolving Facility, or the Lenders have any obligation to make any advance or issue any Letters of Credit in connection therewith, the Borrowers agree to pay to the Agent, for the benefit of all Lenders pro-rata based on each Lender' s Percentage, an annual unused fee (the "Unused Fee"), at a rate of one-half of one percent (0.50%) per annum, calculated on the difference between (i) the Revolving Facility Commitment Amount, and (ii) the average daily outstanding principal balance of the Revolving Facility during the applicable calendar year (including the aggregate face amount of all issued and outstanding Letters of Credit and any Swing Line Outstanding Amounts). The Unused Fee shall be calculated on the basis of the actual number of days elapsed and a three hundred sixty (360) day year, shall be due for any calendar year in which the Revolving Facility is available to the Borrowers or outstanding (for all or any portion of such calendar year), and shall be payable in arrears, with payments commencing on June 30, 2004, and continuing on the last Business Day of each and every calendar quarter thereafter so long as this Agreement remains in effect.

(d) Letter of Credit Fees. With respect to each Letter of Credit issued pursuant to this Agreement: (i) the Borrowers shall pay to the Issuing Lender its customary issuance and administrative charges (the "Letter of Credit Administration Fee") with respect to the issuance and administration of any Letters of Credit, as such issuance and administrative charges are in effect from time to time, due and payable in full, in advance, on the date the Letter of Credit is issued or amended; (ii) the Borrowers shall pay to the Issuing Lender on a quarterly basis, in advance, a fronting fee of one eighth of one percent (0.125%) of the face amount of

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each Letter of Credit issued; and (iii) the Borrowers shall pay to the Agent, quarterly, in advance, for the account of the Lenders, a Letter of Credit fee with respect to unfunded, outstanding Letters of Credit, which fee shall be in an annual amount equal to the Additional LIBOR Interest Margin, multiplied by the face amount of each Letter of Credit outstanding as of the first day of the quarter for which the fee is being paid; such fee to be calculated on the basis of the actual number of days in the immediately succeeding quarter and a three hundred sixty (360) day year.

(e) Out-of-Pocket Fees and Expenses. The Borrowers shall be liable for and shall timely pay all out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses of counsel for the Agent, and of other special and local counsel and other experts, if any, engaged by the Agent) from time to time incurred by the Agent in connection with the administration of, preservation of rights in and enforcement of this Agreement, the other Loan Documents and the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, the Borrowers shall be liable for all of the Agent's out-of-pocket costs and expenses associated with any and all amendments, waivers and/or consents relating to any of the Facilities.

1.8. **Appointment of the Parent Company**. Each Borrower acknowledges that (i) the Lenders have agreed to extend credit to each of the Borrowers on an integrated basis for the purposes herein set forth; (ii) it is receiving direct and/or indirect benefits from each such extension of credit; and (iii) the obligations of the "Borrower" or "Borrowers" under this Agreement are the joint and several obligations of each Borrower. To facilitate the administration of the Loan, each Borrower hereby irrevocably appoints the Parent Company as its true and lawful agent and attorney-in-fact with full power and authority to execute, deliver and acknowledge on such Borrower's behalf, each Request for Advance and Certification, Borrowing Base/Non-Default Certificate and all other Loan Documents or other materials provided or to be provided to the Agent or any Lenders pursuant to this Agreement or in connection with the Loan. This power-of-attorney is coupled with an interest and cannot be revoked, modified or amended without the prior written consent of the Agent. Upon request of the Agent, each Borrower shall execute, acknowledge and deliver to the Agent a form Power of Attorney confirming and restating the power-of-attorney granted herein.

1.9. **Joinder of New Subsidiaries and Affiliates**. Any present or future subsidiary (other than the Non-Borrower Subsidiaries) of any Borrower in which such Borrower now or hereafter owns, directly or indirectly, an ownership interest of greater than fifty percent (50%) shall, unless waived in writing by the Agent, execute and deliver to the Agent (a) a Joinder Agreement in the form attached as ***Exhibit 6*** hereto (a "Joinder Agreement"), pursuant to which such subsidiary or affiliate shall (i) join in and become a party to this Agreement and the other Loan Documents; (ii) agree to comply with and be bound by the terms and conditions of this Agreement and all of the other Loan Documents; and (iii) become a "Borrower" and thereafter be jointly and severally liable for the performance of all the past, present and future obligations and liabilities of the Borrowers hereunder and under the Loan Documents; and (b) such other documents, instruments and agreements as may be reasonably required by the Agent in connection therewith (including, without limitation, an opinion of counsel), in form and substance acceptable to the Agent and its counsel in all respects. The Borrowers acknowledge and agree that the Agent shall have the right, at the Borrowers' cost and expense, to perform a

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field audit of the accounts receivable, inventory, business and operations of any present or future subsidiary or affiliate proposed to be joined as a "Borrower" hereunder.

ARTICLE 2
LETTERS OF CREDIT

2.1. **Issuance**. The Borrowers and Lenders acknowledge that from time to time the Borrowers may request that Citizens Bank issue or amend Letter(s) of Credit. Subject to the terms and conditions of this Agreement, and any other reasonable requirements for letters of credit normally and customarily imposed by Citizens Bank, Citizens Bank agrees to issue such requested Letters of Credit, provided that no Event of Default has occurred and is continuing, and no act, event or condition which with notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing. If any such Letter(s) of Credit are issued by Citizens Bank, each of the Lenders shall purchase from Citizens Bank a risk participation with respect to such Letter(s) of Credit in an amount equal to such Lender's Percentage of such Letter(s) of Credit. Citizens Bank shall have no obligation to issue any Letter of Credit which has an expiration date beyond the Revolving Facility Maturity Date, unless the Borrowers shall have deposited with Citizens Bank, concurrent with the issuance of any such Letter of Credit, cash security therefor in an amount equal to the face amount of the Letter of Credit. Any request for a Letter of Credit shall be made by a Borrower submitting to the Agent an Application and Agreement for Letter of Credit or Amendment to Letter of Credit (each being herein referred to as a "Letter of Credit Application") on Citizens Bank's standard form, at least three (3) Business Days prior to the date on which the issuance or amendment of the Letter of Credit shall be required, which Letter of Credit Application shall be executed by a duly authorized officer of a Borrower, and be accompanied by such other supporting documentation and information as the Agent may from time to time reasonably request. Each Letter of Credit Application shall be deemed to govern the terms of issuance of the subject Letter of Credit, except to the extent inconsistent with the terms of this Agreement. It is understood and agreed that Letters of Credit shall not be issued for durations of longer than one (1) year. Any outstanding Letter of Credit may be renewed from time to time; provided that (i) at least sixty (60) days' prior written notice thereof shall have been given by the Borrower to the Agent; and (ii) no default or Event of Default exists under the terms and provisions of the particular Letter of Credit or this Agreement.

2.2. **Amounts Advanced Pursuant to Letters of Credit.** Upon the issuance of any Letter(s) of Credit (i) any amounts drawn under any Letter of Credit shall be deemed advanced ratably under the Revolving Facility Notes, shall bear interest and be payable in accordance with the terms of the Revolving Facility Notes and shall be secured by the Collateral (in the same manner as all other sums advanced under the Revolving Facility Notes); and (ii) each Lender shall purchase from Citizens Bank such risk participations in the Letter(s) of Credit as shall be necessary to cause each Lender to share the funding obligations with respect thereto ratably in accordance with its particular Percentage. It is expressly understood and agreed that all obligations and liabilities of the Borrowers to Citizens Bank in connection with any such Letter(s) of Credit shall be deemed to be "Obligations," and the Agent shall not be required to release its security interest in the Collateral until (i) all Notes and all other sums due to the Lenders in connection with the Loan have been paid and satisfied in full, (ii) all Letters of Credit have been canceled or expired, and (iii) no Lender has any further obligation or responsibility to make additional Loan advances or issue additional Letters of Credit. Furthermore, in no event

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whatsoever shall Citizens Bank have any obligation to issue any Letter of Credit which would cause the face amount of all then outstanding Letters of Credit issued for the benefit of any or all Borrowers, in the aggregate, to exceed Five Million and No/100 Dollars ($5,000,000.00), at any time.

ARTICLE 3
SECURITY

3.1. **Security Generally**. As collateral security for the Loan and all other Obligations, the Borrowers hereby grant and convey to the Agent, for the benefit of the Lenders ratably, a security interest in all of the following (collectively, the “Collateral”):

Receivables. All of each Borrower’ s right, title and interest in and to any and all present and future Accounts, contracts, contract rights, Chattel Paper, General Intangibles, notes, drafts, acceptances, chattel mortgages, conditional sale contracts, bailment leases, security agreements and other forms of obligations now or hereafter arising out of or acquired in the course of or in connection with any business each Borrower conducts, together with all liens, guaranties, securities, rights, remedies and privileges pertaining to any of the foregoing, whether now existing or hereafter created or arising, and all rights with respect to returned and repossessed items of Inventory;

Inventory. All of each Borrower’ s right, title and interest in and to any and all Inventory and Goods now or hereafter owned by each Borrower, whenever acquired and wherever located, and whether held for sale or lease or furnished or to be furnished under contracts of service, and all raw materials, work in process and materials now or hereafter owned by each Borrower, wherever located, and used or consumed in its business, including all returned and repossessed items; and all other property now or hereafter constituting Inventory;

Other Collateral. All of each Borrower’ s right, title and interest in and to any and all Deposit Accounts, Documents, Instruments, Investment Property, Letter of Credit Rights and Supporting Obligations, whether any of the foregoing shall be now owned or hereafter acquired by such Borrower, together with all of each Borrower’ s present and future furniture, fixtures, Equipment, machinery, supplies and other assets (other than stock, as below provided) and personal property of every type or nature whatsoever, including without limitation, all of each Borrower’ s present and future inventions, designs, patents, patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, registrations, copyrights, licenses, franchises, customer lists, tax refunds, tax refund claims, rights of claims against carriers and shippers, leases and rights to indemnification;

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Stock. All of each Borrower' s right, title and interest in and to the issued and outstanding capital stock of any subsidiary, in each case, whether common and/or preferred, and whether now or hereafter issued or outstanding and whether now or hereafter acquired by the Borrowers, together with all voting or other rights appurtenant thereto, including, without limitation, the right to receive all dividends and/or distributions, and all proceeds thereof, pursuant to the terms and conditions of the Stock Security Agreements;

Leases. All of each Borrower' s present and future right, title and interest in and to any and all leases, occupancy agreements, subleases, contracts, licenses, agreements and other understandings of or relating to the use, enjoyment and occupancy of real property or any improvements thereon.

Records. All of each Borrower' s right, title and interest in and to any and all records, documents and files, in whatever form, pertaining to the Collateral; and

Proceeds, Etc. Any and all Proceeds of the foregoing, whether cash or non-cash proceeds, and all increases, substitutions, replacements and/or additions to any or all of the foregoing.

Notwithstanding the foregoing, the above described grant and conveyance shall not be deemed to include the grant and conveyance of (A) any Government Contract or Commercial Contract, which by its terms or applicable law may not be conveyed; it being understood, however, that in any such situation(s), the Agent' s security interest shall include (i) the entirety of each Borrower' s right, title and interest in and to all accounts receivable and all other Proceeds directly or indirectly arising from such Government Contract or Commercial Contract, and (ii) all other rights and interests which any Borrower may lawfully convey to the Agent; (B) any stock of a foreign corporation in excess of sixty-five percent (65%) of all of the issued and outstanding stock of such foreign corporation; (C) motor vehicles titled in the name of any Borrower; and (D) any property acquired by a Borrower in the ordinary course of such Borrower' s business which is subject to a purchase money security interest permitted pursuant to this Agreement.

3.2. **No Preference or Priority**. It is expressly understood and agreed that each of the Notes shall be secured without preference or priority; it being the intention of the parties that the Notes shall be co-equal and coordinate in right of payment of principal, interest, late charges and other sums due thereunder.

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ARTICLE 4
CONDITIONS TO THE LENDERS' OBLIGATIONS

The initial performance of the Lenders' obligations under this Agreement shall be subject to the following conditions, any or all of which may be waived by the Agent:

4.1. **Compliance with Law and Agreements; Third Party Consents.** The Lenders shall be reasonably satisfied that (i) the Loan shall be in full compliance with all legal requirements, (ii) all regulatory and third party consents and approvals required to be obtained have been obtained, and (iii) the Borrowers shall have performed all agreements theretofore to be performed by the Borrowers.

4.2. **Material Adverse Changes.** There shall have been no material adverse change in (i) the business, assets, properties, prospects or condition (financial or otherwise) of any Borrower, between the date of the most recent financial statement(s) delivered to the Lenders and the Closing Date or (ii) the government contracting status of any Borrower with respect to the United States government or any department or agency thereof.

4.3. **Litigation/Bankruptcy**. There shall be no pending or threatened litigation by any entity (private or governmental) with respect to the Loan or any documentation executed in connection therewith (except for such litigation disclosed to and not objected to by the Agent and the Lenders prior to Closing), nor shall there be any litigation, bankruptcy or other proceedings which the Agent and the Lenders' believe, in their good faith judgment, could reasonably be expected to have a materially adverse effect on the business, property, assets, liabilities, condition (financial or otherwise), results of operations or prospects of the Borrowers on a going forward basis.

4.4. **Opinion of Counsel.** The Agent shall have received an opinion of Borrowers' counsel with respect to each of the Borrowers, in form and substance satisfactory to the Agent and its counsel in all respects.

4.5. **No Default.** There shall exist no Event of Default, and no act, event or condition shall have occurred which with notice or the lapse of time, or both, would constitute an Event of Default.

4.6. **Documentation.** The Agent shall have received the following: (i) all of the Loan Documents executed by a duly elected officer of each Borrower, (ii) an initial Borrowing Base/Non-Default Certificate, and (iii) such financial statements, projections, certificates of good standing, corporate resolutions, government contract assignments, UCC financing statements, opinions, certifications, schedules to be attached to this Agreement and such other documents, instruments and agreements as may be reasonably required by the Lenders or the Agent, each in such form and content and from such parties, as the Agent shall require (including, without limitation, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act). All documentation relating to the Loan and all related transactions must be satisfactory in all respects to the Agent, the Lenders and their respective counsel.

4.7. **Third Party Agreements**. The Borrowers shall have delivered to the Agent copies of executed documents pursuant to which Allied Capital Corporation has agreed to extend to the Borrowers (i) a term loan (the "Term Loan") of Ten Million and No/100 Dollars ($10,000,000.00); and (ii) subordinated debt (the "Subordinated Debt") of Twelve Million and No/100 Dollars ($12,000,000.00). The Subordinated Debt and Term Loan must be fully funded at the time of the Closing of the Loan and are herein collectively referred to as the "Junior

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Facilities". The interest rate, term, repayment schedule, terms of subordination and all other terms, conditions and requirements of the Junior Facilities (and all documentation related thereto, including the Subordination Agreements) must be satisfactory to the Agent and Lenders in all respects; it being understood that the Term Loan may be secured by a second lien security interest in the Borrower' s assets and the Subordinated Debt may be secured by a springing stock pledge, which shall not come into being (or have any force or effect) until all of the Obligations shall have been paid and satisfied in full, and the Lenders have no further obligation to advance funds hereunder.

4.8. **Financial Documents**. The Agent shall have received the following: (i) pro forma projections (for three (3) years) showing (a) covenant compliance coverage levels satisfactory to the Agent and Lenders in all respects as of the Closing Date; and (b) excess borrowing availability as of the Closing Date, in an amount satisfactory to the Agent and Lenders in all respects; and (ii) a pre-closing field audit with respect to the Collateral and each Borrower' s accounts receivable, inventory, business, property, assets, liabilities, condition (financial or otherwise) and operations. All of the foregoing must be satisfactory in all respects to the Agent and the Lenders.

4.9. **Capital Structure.** The overall capital structure of the Borrowers must be satisfactory to the Agent and the Lenders in all respects.

4.10. **Security Interests.** The Borrowers shall have executed and delivered all documentation the Agent deems necessary or appropriate for the perfection of any liens granted to the Agent or Lenders pursuant to this Agreement or any other Loan Document.

4.11. **Closing Costs and Expenses.** The Borrowers shall have paid all fees payable to the Agent and/or the Lenders, plus all closing costs and expenses incurred by the Agent in connection with the transactions contemplated hereby, including, without limitation, all recording costs.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

To induce the Agent and Lenders to enter into this Agreement, each Borrower jointly and severally represents, warrants, covenants and agrees as follows:

5.1. **Corporate Existence and Qualification.** Each Borrower is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation referenced in the preamble of this Agreement, with all corporate power and authority and all necessary licenses and permits to own, operate and lease its properties and carry on its business as now being conducted, and as it may in the future be conducted. Each Borrower has only one jurisdiction of incorporation/formation. Each Borrower is duly qualified and authorized to do business and is in good standing in each jurisdiction in which the nature of its activities or the character of its properties makes qualification necessary, except to the extent that the failure to so qualify could not reasonably be expected to have a Material Adverse Effect. The corporate name of each Borrower set forth in this Agreement and the other Loan Documents (including, without limitation, all UCC-1 financing statements

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relating to the Collateral) is accurate in all respects, and such corporate name is identical to the corporate name of record with such Borrower' s jurisdiction of incorporation or formation.

5.2. **Corporate Authority; Noncontravention.** The execution, delivery and performance of the obligations of each Borrower set forth in this Agreement, the Notes and the other Loan Documents (i) have been duly authorized by all necessary corporate and/or stockholder action; (ii) do not require the consent of any governmental body, agency or authority; (iii) will not violate or result in (and with notice or the lapse of time will not violate or result in) the breach of any provision of any Borrower' s Articles/Certificate of Incorporation, By-laws or other corporate formation documents, as applicable, any Material Contract, or any order or regulation of any governmental authority or arbitration board or tribunal; and (iv) except as expressly permitted by the terms and provisions of this Agreement, will not result in the creation of a lien, charge or encumbrance of any nature upon any of the properties or assets of any Borrower. When the Loan Documents are executed and delivered, they will constitute legal, valid and binding obligations of each Borrower, enforceable against each Borrower in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the rights of creditors generally.

5.3. **Financial Position.** The financial statements listed on ***Schedule 5.3*** hereto, copies of which have been delivered to the Lenders, present fairly the financial condition of the Borrowers as of the date thereof and the results of the Borrowers' operations for the periods indicated therein, were prepared in accordance with GAAP, are true and accurate in all respects, and are not misleading in any respect. All material liabilities, fixed or contingent, are fully shown or provided for on the referenced financial statements or the notes thereto as of the dates thereof to the extent they are required to be shown or disclosed in accordance with GAAP. There has been no material adverse change in (i) the business, property or condition (financial or otherwise) of the Borrowers, taken as whole, since the date of its most recent financial statements listed on ***Schedule 5.3*** or (ii) the government contracting status of any Borrower with respect to the United States government or any department or agency thereof.

5.4. **Payment of Taxes.** Each Borrower has filed all tax returns and reports required to be filed by it with the United States Government, all state and local governments and/or all foreign federal, state and local governments, and has paid in full or made adequate provision on its books for the payment of all taxes, interest, penalties, assessments or deficiencies shown to be due or claimed to be due on or in respect of such tax returns and reports, except to the extent that the validity or amount thereof is being contested in good faith by appropriate proceedings and the non-payment thereof pending such contest will not result in the execution of any tax lien or otherwise jeopardize the Agent' s or the Lenders' interests in any Collateral.

5.5. **Accuracy of Submitted Information; Omissions.** As of the date furnished, all documents, certificates, information, materials and financial statements furnished or to be furnished to any Lender or the Agent pursuant to this Agreement or otherwise in connection with the Loan (i) are true and correct in all material respects; (ii) do not contain any untrue statement of a material fact; and (iii) do not omit any material fact necessary to make the statements contained therein or herein not misleading. No Borrower is aware of any fact which has not been disclosed to the Agent in writing which materially adversely affects, or so far as any Borrower

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can now reasonably foresee, could materially adversely affect, the properties, business, profit or condition (financial or otherwise) of the Borrowers, taken as a whole, or the ability of any Borrower to perform its obligations set forth in this Agreement or any other Loan Document.

5.6. **Government Contracts/Government Subcontracts.** No notice of suspension, debarment, cure notice, show cause notice or notice of termination for default has been issued by the Government to any Borrower, and no Borrower is a party to any pending, or to any Borrower' s knowledge threatened, suspension, debarment, termination for default or show cause requirement by the Government or other adverse Government action or proceeding in connection with any Government Contract or Government Subcontract. All Government Contracts which have a remaining term of twelve (12) months or longer and a remaining value of Five Million and No/100 Dollars ($5,000,000.00) or more are listed on ***Schedule 5.6*** hereto.

5.7. **No Defaults or Liabilities.** No Borrower is in default of any obligation, covenant or condition contained in any Material Contract which would entitle the other party thereto to exercise remedies thereunder (excluding those defaults pursuant to which the other party thereto has made a monetary claim for less than Five Hundred Thousand and No/100 Dollars ($500,000.00)). Additionally, except for the matters disclosed on ***Schedule 5.7*** hereto, there is no litigation, legal or administrative proceeding or investigation pending against any Borrower, and no litigation, legal or administrative proceeding or investigation has been threatened against any Borrower, which has not been disclosed to the Agent and the Lenders in writing and which involves amounts in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00) or which could prejudice, in any material respect, the Agent' s or any Lender' s rights or remedies under any Loan Document.

5.8. **No Violations of Law.** No Borrower is in violation of any Applicable Laws, except for such violations which could not reasonably be expected to have a Material Adverse Effect; no Borrower has failed to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of its properties or to the conduct of its business, and each Borrower has conducted its business and operations in compliance with all Applicable Laws, except in each case, for such failures or non-compliances which could not reasonably be expected to have a Material Adverse Effect.

5.9. **Litigation and Proceedings.** Except for the matters set forth on ***Schedule 5.9*** attached hereto, no action, suit or proceeding against or affecting any Borrower is presently pending, or to the knowledge of any Borrower, threatened, in any court, before any governmental agency or department, or before any arbitration board or tribunal, which involves the possibility of any judgment or liability in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00) and is not fully covered by insurance, subject to any applicable deductible. No Borrower is in default with respect to any order, writ, injunction or decree of any court, governmental authority or arbitration board or tribunal.

5.10. **Security Interest in the Collateral.** Each Borrower is the sole legal and beneficial owner of the Collateral owned or purported to be owned by it, free and clear of all liens, claims and encumbrances of any nature, except for the Permitted Liens and other liens expressly permitted by the terms and provisions of this Agreement. The security interests and liens granted by each Borrower to the Lender pursuant to this Agreement and the other Loan

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Documents constitute valid and enforceable security interests in and liens on each item of the Collateral of the type or nature which may be made subject to a security interest under the UCC, subject to no other liens other than Permitted Liens. Upon execution of this Agreement, and subject to the filing of UCC-1 financing statements containing a description of the Collateral and naming the Borrowers as debtors in the appropriate jurisdictions as determined by applicable law, the security interests and liens granted by each Borrower to the Lender pursuant to this Agreement (i) constitute perfected security interests in all Collateral of the type or nature in which a security interest may be perfected by filing, recording or registering a financing statement in the United States pursuant to the UCC, and (ii) shall be superior to and prior to any other lien on any of such Collateral, other than Permitted Liens, and no further recordings or filings are or will be required in connection with the creation, perfection or enforcement of such security interests and liens, other than the filing of continuation statements in accordance with applicable law. The Borrowers have provided written landlord waivers from each lessor/landlord of any premises occupied by any Borrower to the extent required pursuant to Section 6.16 of this Agreement. Each such landlord waiver subordinates any statutory, contractual or other lien the lessor/landlord may have in any of the Collateral to the lien, operation and effect of the lien being granted to the Agent and the Lenders pursuant to this Agreement and the other Loan Documents.

5.11. **Principal Place of Business; Location of Books and Records.** Each Borrower maintains its principal place of business and the office where it keeps its books and records with respect to Receivables at the address set forth in the preamble of this Agreement. Set forth on ***Schedule 5.11*** hereto is a list of each Borrower' s business locations as of the Closing Date, and all places where Collateral is located. The locations set forth on ***Schedule 5.11*** hereto denoted with an asterisk reflect all locations where fixed assets of a Borrower are valued in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00). Each Borrower agrees to notify the Agent in writing at least ten (10) days prior to any change in its principal place of business, or any change in the location of the office where it keeps its books and records with respect to accounts and contract rights, or any change of or addition to the locations where any Collateral is or will be located.

5.12. **Fiscal Year.** Each Borrower' s fiscal year ends on December 31.

5.13. **Pension Plans.**

(a) The present value of all benefits vested under all "employee pension benefit plans", as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974 ("ERISA"), from time to time (individually, a "Pension Plan" and collectively, the "Pension Plans") maintained by the Borrowers (other than the UK Borrowers) did not, as of December 31, 2003, exceed the value of the assets of the Pension Plans allocable to such vested benefits;

(b) No Pension Plan, trust created thereunder or other person dealing with any Pension Plan has engaged in a non-exempt transaction proscribed by Section 406 of ERISA or a non-exempt "prohibited transaction", as such term is defined in Section 4975 of the Internal Revenue Code;

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(c) No Pension Plan or trust created thereunder has been terminated within the last three (3) years, and there have been no "reportable events" (as such term is defined in Section 4043 of ERISA and the regulations thereunder) with respect to any pension plan or trust created thereunder after June 30, 1974; and

(d) No Pension Plan or trust created thereunder has incurred any "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA or Section 412 of the Internal Revenue Code) as of the end of any plan year, whether or not waived, since the effective date of ERISA.

5.14. **O.S.H.A., ADA and Environmental Compliance**.

(a) Each Borrower (other than the UK Borrowers) is in compliance with, and its facilities, business assets, property, leaseholds and equipment are in compliance with, the provisions of the Federal Occupational Safety and Health Act ("O.S.H.A."), the Americans with Disabilities Act ("ADA"), the Environmental Protection Act, RCRA and all other applicable environmental and handicapped access laws, except for such non-compliance which could not reasonably be expected to have a Material Adverse Effect; and there have been no citations, notices, notifications or orders of any such non-compliance issued to any Borrower or relating to its business, assets, property, leaseholds or equipment under any such laws, rules or regulations;

(b) each Borrower (other than the UK Borrowers) has been issued all required federal, state and local licenses, certificates and permits necessary or appropriate in the operation of its facilities, businesses, assets, property, leaseholds and equipment, except to the extent that the failure to have such a certificate, license or permit could not reasonably be expected to have a Material Adverse Effect; and

(c) (i) there have been no releases, spills, discharges, leaks or disposal (collectively referred to herein as "Releases") of Hazardous Substances at, upon, under or within any real property owned, or to the actual knowledge of any Borrower any premises leased, by any Borrower (other than the UK Borrowers); (ii) there are no underground storage tanks or polychlorinated biphenyls on any real property owned, or to the actual knowledge of any Borrower any premises leased, by any Borrower (other than the UK Borrowers); (iii) no real property owned, or to the actual knowledge of any Borrower, premises leased, by any Borrower (other than the UK Borrowers) has ever been used by any Borrower (and to the best of each Borrower' s knowledge, any other person) as a treatment, storage or disposal facility for Hazardous Waste; and (iv) no Hazardous Substances are present on any real property owned, or to the actual knowledge of any Borrower any premises leased, by any Borrower (other than the UK Borrowers), except for such quantities of Hazardous Substances as are handled in accordance with all applicable manufacturer' s instructions and governmental regulations, and as are necessary or appropriate for the operation of the business of the Borrowers (other than the UK Borrowers), except, in each case, to the extent that such non-compliance could not reasonably be expected to have a Material Adverse Effect. Each Borrower (other than the UK Borrowers), for itself and its successors and assigns, hereby covenants and agrees to indemnify, defend and hold harmless the Agent and Lenders from and against any and all liabilities, losses, claims, damages, suits, penalties, costs and expenses of every kind or nature, including, without limitation, reasonable attorneys' fees arising from or in connection with (x) the presence or

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alleged presence of any Hazardous Substance or Hazardous Waste on, under or about any property of any Borrower (other than the UK Borrowers) (including, without limitation, any property or premises now or hereafter owned or leased by any Borrower (other than the UK Borrowers)), or which is caused by or results from, directly or indirectly, any act or omission to act by any Borrower; and (y) any Borrower' s violation of any environmental statute, ordinance, order, rule or regulation of any governmental entity or agency thereof (including, without limitation, any liability arising under CERCLA, RCRA, HMTA or any Applicable Laws).

5.15. **Intellectual Property.** All material patents, patent applications, trademarks, trademark applications, copyrights, copyright applications, tradenames, trade secrets and licenses necessary for the conduct of the business of each Borrower are (i) owned or utilized by such Borrower, (ii) valid and, except with respect to licenses, have been duly registered or filed with all appropriate governmental authorities, and (iii) listed on ***Schedule 5.15(a)*** hereto. Except as disclosed in ***Schedule 5.15(a)*** hereto, there is no objection or pending challenge to the validity of any such patent, trademark, copyright, tradename, trade secret or license; no Borrower is aware of any grounds for any such challenge or objection thereto; except as disclosed in ***Schedule 5.15(b)*** hereto, no Borrower pays any royalty to anyone in connection with any patent, trademark, copyright, tradename, trade secret or license; and each Borrower has the right to bring legal action for the infringement of any such patent, trademark, copyright, tradename, trade secret or license.

5.16. **Existing or Pending Defaults; Material Contracts**. All Material Contracts are listed on ***Schedule 5.16(a)*** hereto. Except as set forth on ***Schedule 5.16(b)*** attached hereto, no Borrower is aware of any pending or threatened litigation, or any other legal or administrative proceeding or investigation pending or threatened, against any Borrower arising from or related to any Material Contract.

5.17. **Leases and Real Property.** No Borrower owns any real property. All leases and other agreements under which any Borrower occupies real property are in full force and effect and constitute legal, valid and binding obligations of, and are legally enforceable against, the Borrower party thereto and, to the Borrowers' best knowledge, are the binding obligations of and legally enforceable against, the other parties thereto. All necessary governmental approvals, if any, have been obtained for each such lease or agreement, and there have been no threatened cancellations thereof or outstanding disputes with respect thereto.

5.18. **Labor Relations.** There are no strikes, work stoppages, grievance proceedings, union organization efforts or other material controversies pending, or to any Borrower' s knowledge, threatened or reasonably anticipated, between any Borrower and (i) any current or former employee of any Borrower or (ii) any union or other collective bargaining unit representing any such employee. Each Borrower has complied and is in compliance with all Applicable Laws relating to employment or the workplace, including, without limitation, provisions relating to wages, hours, collective bargaining, safety and health, work authorization, equal employment opportunity, immigration, withholding, unemployment compensation, employee privacy and right to know, except for such non-compliance which could not reasonably be expected to have a Material Adverse Effect. Except as set forth on ***Schedule 5.18*** hereto, there are no collective bargaining agreements, employment agreements between any Borrower and any of its employees, or professional service agreements not terminable at will

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relating to the businesses or assets of any Borrower. The consummation of the transactions contemplated hereby will not cause any Borrower to incur or suffer any liability relating to, or obligation to pay, severance, termination or other similar payments to any person or entity.

5.19. **Assignment of Contracts**. No existing Government Contract or other Material Contract of any Borrower (and no present or future interest of any Borrower, in whole or in part, in, to or under any such Government Contract or other Material Contract) is currently assigned, pledged, hypothecated or otherwise transferred to any person or entity (other than in favor of the Agent for the benefit of the Lenders ratably and to Allied Capital Corporation in connection with the Term Loan).

5.20. **Contribution Agreement**. The Contribution Agreement is in full force and effect, has not been modified, altered or amended in any respect whatsoever (other than to add a new Borrower party thereto from time to time), and no Borrower is in default thereunder.

5.21. **Ownership of the Borrowers**. As of the date of this Agreement, all of the issued and outstanding capital stock of each Borrower, other than the Parent Company, is owned by either the Parent Company or another Borrower, except as described on ***Schedule 5.21*** hereto.

5.22. **Solvency**. After giving effect to the transactions contemplated by the terms and provisions of this Agreement, (i) each Borrower owns property (including, without limitation, the Borrower' s rights under the Contribution Agreement) whose fair saleable value is greater than the amount required to pay all of such Borrower' s Indebtedness (including contingent debts), (ii) each Borrower was and is able to pay all of its Indebtedness as such Indebtedness matures, and (iii) each Borrower had and has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage.

5.23. **Foreign Assets Control Regulations, Etc.** No Borrower, nor any of their subsidiaries is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§1 *et seq.*), as amended. No Borrower, nor any of their subsidiaries is in violation of (a) the Trading with the Enemy Act, as amended, (b) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (c) the Patriot Act. None of the Borrowers (i) is a blocked person described in Section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions or is otherwise associated, with any such blocked person.

5.24. **Survival of Representations and Warranties**. All representations and warranties made herein shall survive the making of the Loan and shall be deemed remade and redated as of the date of each advance, readvance or request therefor, and with respect to (i) those representations and warranties qualified by a "materiality" standard, shall be true and correct in all respects as of the date of such advance, readvance or request therefor, and (ii) those representations and warranties not expressly qualified by a "materiality" standard, shall be true and correct in all material respects as of the date of such advance, readvance or request therefor; provided, however that the Borrowers shall not be deemed to have remade or redated any representation or warranty to the extent that such representation and warranty expressly related solely to an earlier date. Notwithstanding the foregoing, the Borrowers will not be deemed to

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have breached a remade and redated representation and warranty (a) with respect to those changes in facts and circumstances which are expressly permitted by the terms of this Agreement; or (b) if the Borrowers have previously disclosed to the Agent in writing that they are unable to remake and redate any such representation and warranty and such inability does not constitute or give rise to a default or an Event of Default under this Agreement or any other Loan Document.

ARTICLE 6
AFFIRMATIVE COVENANTS OF THE BORROWERS

So long as any Obligation remains outstanding or this Agreement remains in effect, each Borrower jointly and severally covenants and agrees with the Agent and Lenders that:

6.1. **Payment of Loan Obligations.** Each Borrower will duly and punctually pay all sums to be paid to the Lenders and the Agent in accordance with the terms and provisions of the Loan Documents, and will comply with, perform and observe all of the terms and provisions thereof.

6.2. **Payment of Taxes.** Each Borrower will promptly pay and discharge when due all federal, state and other governmental (including foreign) taxes, assessments, fees and charges imposed upon it, or upon any of its properties or assets, except to the extent that the validity or amount thereof is being contested in good faith by appropriate proceedings and the non-payment thereof pending such contest will not result in the execution of any tax lien or otherwise jeopardize the Agent' s or the Lenders' interests in any Collateral.

6.3. **Delivery of Financial and Other Statements.** The Borrowers shall deliver to the Agent and the Lenders financial and other statements, each of which shall, unless otherwise expressly set forth below to the contrary, be prepared in accordance with GAAP consistently applied (provided, however, that any interim statements required hereunder may be prepared without footnotes and shall be subject to normal and customary year-end adjustments), as follows:

(a) on or before the ninetieth (90th) day following the close of each fiscal year, the Parent Company will submit to the Agent and the Lenders annual audited and unqualified consolidated financial statements, which shall be accompanied by consolidating schedules and draft or issued management letters (within thirty (30) days of the delivery of such letters to the Borrowers) and such consolidated financial statements shall be certified by an independent certified public accountant acceptable to the Agent;

(b) on or before the forty-fifth (45th) day following the close of each fiscal quarter, the Parent Company will submit to the Agent and the Lenders (i) internally prepared consolidated financial statements, reporting the Borrowers' current financial position and the results of their operations for the quarter then ended and year-to-date, and including a comparison of such results to the then current budget, (ii) internally prepared contract backlog/revenue summary reports, and (iii) a Quarterly Covenant Compliance/Non-Default Certificate in the form attached as ***Exhibit 5*** hereto, each of which shall be in form and substance satisfactory to the Agent in all respects and certified by the Parent Company pursuant to a

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certificate executed on its behalf by the Parent Company' s Chief Financial Officer or another duly authorized executive officer of the Parent Company;

(c) on or before the thirtieth (30th) day following the close of each fiscal month end, the Parent Company will submit to the Agent and the Lenders a Borrowing Base/Non-Default Certificate in the form attached as ***Exhibit 4*** hereto, accompanied by detailed current aged billed and unbilled accounts receivable reports, each of which shall be certified by the Parent Company pursuant to a certificate executed on its behalf by the Parent Company' s Chief Financial Officer or another duly authorized executive officer of the Parent Company;

(d) promptly, but in all events within three (3) Business Days after the filing of all public filings, disclosure statements and/or registration statements with the Securities and Exchange Commission or any state agency or department regulating securities (or any other person or entity, pursuant to the rules and/or regulations of the Securities and Exchange Commission or any state agency or department regulating securities), the Borrowers will submit to the Agent and the Lenders copies of all such documents distributed to or filed with the Securities and Exchange Commission or such other regulatory agency;

(e) on or before the one hundred twentieth (120th) day following the close of each calendar year, the Parent Company will submit to the Agent and the Lenders pro forma consolidated and consolidating budgets, certified by the Parent Company pursuant to a certificate executed on its behalf by the Parent' s Chief Financial Officer or another duly authorized executive officer of the Parent Company; and

(f) promptly upon the request of the Agent or any Lender, the Borrowers will provide to the Agent and the Lenders such other information and/or reports relating to each Borrower' s business, operations, properties or prospects as the Agent and/or Lenders may from time to time request at their sole discretion, provided, however, that in the absence of an Event of Default, neither the Agent or Lenders will impose any additional periodic reporting requirements, other than those set forth above.

6.4. **Maintenance of Records; Review by the Lenders.** Each Borrower will maintain at all times proper books of record and account in accordance with GAAP, consistently applied, and, subject to any applicable confidentiality and secrecy requirements imposed by any Government agency, will permit the Agent' s and Lenders' officers or any of the Agent' s or Lenders' authorized representatives or accountants to visit and inspect each Borrower' s offices and properties, examine its books of account and other records, and discuss its affairs, finances and accounts with the officers of any Borrower, all at such reasonable times during normal business hours (and so long as no Event of Default has occurred hereunder, upon reasonable notice to such Borrower), and as often as the Agent or Lenders may desire.

6.5. **Maintenance of Insurance Coverage.** Each Borrower will maintain in effect fire and extended coverage insurance, public liability insurance, business interruption insurance, worker' s compensation insurance and insurance on the Collateral and each of its properties, with responsible insurance companies, in such amounts and against such risks as are customary for similar businesses, required by governmental authorities, if any, having jurisdiction over all or part of its operations, or otherwise reasonably required by the Agent, and will furnish to the

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Agent certificates evidencing such continuing insurance. The Agent, for the benefit of the Lenders, shall be named as loss payee on all hazard and casualty insurance policies by means of a standard noncontributory mortgagee clause and as an additional insured on all liability insurance policies (other than with respect to worker' s compensation insurance). All insurance policies shall also provide for (i) not less than thirty (30) days written notice to the Agent prior to expiration, cancellation or reduction in coverage; and (ii) waiver of subrogation (other than with respect to worker' s compensation insurance).

6.6. **Maintenance of Property/Collateral; Performance of Contracts.** Each Borrower will at all times maintain the Collateral and its tangible property, both real and personal, in good order and repair (subject to ordinary wear and tear), and will permit the Agent' s officers or authorized representatives to visit and inspect the Collateral and each Borrower' s tangible property at such reasonable times during normal business hours, as and when the Agent deems necessary or appropriate. Each Borrower shall perform all obligations under all contracts to which it is a party, including all exhibits and other attachments to such contracts, all modifications thereto and all documents and instruments delivered pursuant thereto, and will comply with all laws, rules and regulations governing the execution, delivery and performance thereof, except to the extent that such non-compliance could not reasonably be expected to have a Material Adverse Effect.

6.7. **Maintenance of Corporate Existence.** Each Borrower will maintain its corporate existence and will provide the Agent with evidence of the same from time to time upon the Agent' s request.

6.8. **Maintenance of Certain Accounts with the Agent.** Except for the bank accounts described on ***Schedule 6.8*** hereto (the "Foreign Bank Accounts") each Borrower will maintain its primary operating accounts, including all primary depository accounts (time and demand), disbursement accounts and collection accounts, with the Agent. Additionally, any and all funds on deposit from time to time in any Foreign Bank Account which exceed the U.S. Dollar equivalent of One Million Five Hundred Thousand British Pounds Sterling (1,500,000), as of any date of determination, shall, unless otherwise approved by the Agent, be wire transferred, within one (1) Business Day, to the Collateral Accounts.

6.9. **Management.** Each Borrower will notify the Agent and the Lenders in writing of a change of any of its corporate executive officers or directors within ten (10) days of the date of any such change.

6.10. **Disclosure of Defaults, Etc.**

(a) Promptly upon the occurrence thereof, each Borrower will provide the Agent and the Lenders with written notice of any Event of Default, or any act, event, condition or occurrence that upon the giving of any required notice or the lapse of time, or both, would constitute an Event of Default. In addition, each Borrower will promptly advise the Agent and the Lenders in writing of any condition, act, event or occurrence which comes to such Borrower' s attention that would or could reasonably be expected to prejudice the Agent' s or any Lender' s rights in connection with any Material Contract, the Collateral, this Agreement, any Note or any other Loan Document, including, without limitation, the details of any pending or

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threatened suspension, debarment or other governmental action or proceeding, any pending or threatened litigation, and any other legal or administrative proceeding or investigation pending or threatened against any Borrower, including the entry of any judgment in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00) or lien (other than a Permitted Lien) against any Borrower, its assets or property. Additionally, the Borrowers agree to provide written notice to the Agent and Lenders within five (5) days of the date on which any obligation of a Borrower for the payment of borrowed money, whether now existing or hereafter created, incurred or arising, becomes or is declared to be due and payable prior to the expressed maturity thereof.

(b) If, at any time after the Closing Date, any Borrower shall receive any letter, notice, subpoena, court order, pleading or other document issued, given or delivered by the Government, any Prime Contractor or by any person or entity acting for or on behalf of the Government or such Prime Contractor with respect to, or in any manner related to any alleged default, fraud, dishonesty, malfeasance or other willful misconduct of a Borrower, such Borrower shall deliver a true, correct and complete copy of such letter, notice, subpoena, court order, pleading or document to the Agent, the Agent' s counsel and each Lender within three (3) Business Days of such Borrower' s receipt thereof. Furthermore, if any Borrower shall issue, give or deliver to the Government, any Prime Contractor or any person or entity acting for or on behalf of the Government or such Prime Contractor any letter, notice, subpoena, court order, pleading or other document with respect to, or in any manner related to, or otherwise in response to any alleged default, fraud, dishonesty, malfeasance or other willful misconduct of a Borrower, such Borrower shall deliver a true, correct and complete copy of such letter, notice, subpoena, court order, pleading or other document to the Agent, the Agent' s counsel and each Lender concurrent with the Borrower' s issuance or delivery thereof to the Government, such Prime Contractor or any person or entity acting for or on behalf of the Government or such Prime Contractor. If any letter, notice, subpoena, court order, pleading or other document required to be delivered to the Agent, the Agent' s counsel and each Lender pursuant to this Section 6.10 contains any information deemed "classified" by the Government and/or the dissemination of any such information to the Agent, the Agent' s counsel and each Lender would result in the Borrowers violating any Applicable Law, then the Borrowers shall deliver to the Agent, the Agent' s counsel and each Lender a summary of such letter, notice, subpoena, court order, pleading or other document containing a summary thereof, but including as much (but no more than) detail as can be included therein without violating any Applicable Law.

6.11. **Security Perfection; Assignment of Claims Act; Payment of Costs.** The Borrowers will execute and deliver and pay the costs of recording and filing financing statements, continuation statements, termination statements, assignments and other documents, as the Agent may from time to time deem necessary or appropriate for the perfection of any liens granted to the Agent or Lenders pursuant hereto or pursuant to any other Loan Document. On or before the date which is thirty (30) days from the date of any Government Contract hereafter entered into, extended or renewed by one or more Borrowers, such Borrower(s) shall execute all documents necessary or appropriate in order to comply with the Assignment of Claims Act of 1940, as amended, 31 U.S.C. Section 3727 and 41 U.S.C. Section 15 (the "Government Contract Assignments") in connection with each such Government Contract; it being understood and agreed, however, that no Government Contract Assignment shall be required for any Government Contract which has a remaining value of less than Five Million and No/100 Dollars ($5,000,000.00), or a remaining term of less than twelve (12) months (with no option to extend).

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All costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the preparation, execution, delivery and administration of Government Contract Assignments shall be borne solely by the Borrowers. Additionally, the Borrowers will pay any and all costs incurred in connection with the transactions contemplated hereby, as well as any and all taxes (other than the Lenders' income and franchise taxes), which may be payable as a result of the execution of this Agreement or any agreement supplemental hereto, or as a result of the execution and/or delivery of any Note or other Loan Document.

6.12. **Defense of Title to Collateral.** The Borrowers will at all times defend the Lenders' , the Agent's and the Borrowers' rights in the Collateral, subject to the Permitted Liens, against all persons and all claims and demands whatsoever, and will, upon request of the Agent (i) furnish such further assurances of title as may be required by the Agent, and (ii) do any other acts necessary to effectuate the purposes and provisions of this Agreement, or as required by law or otherwise in order to perfect, preserve, maintain or continue the interests of the Agent and/or Lenders in any Collateral.

6.13. **Compliance with Law.** Each Borrower will conduct its businesses and operations in compliance in all material respects with (i) all Applicable Laws and requirements of all federal, state and local regulatory authorities having jurisdiction, (ii) the provisions of its charter documents, by-laws or similar corporate formation documents, (iii) all agreements and instruments by which it or any of its properties may be bound, and (iv) all applicable decrees, orders and judgments.

6.14. **Other Collateral Covenants.**

(a) The Borrowers will, at their own expense, make, execute, endorse, acknowledge, file and/or deliver to the Agent from time to time such lists, descriptions and designations of 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 interests hereby granted which the Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interests in any Collateral.

(b) The Borrowers shall promptly notify the Agent in writing if, at any time, any issuer of uncertificated securities, securities intermediary or commodities intermediary has issued or holds, or will issue or hold, any financial assets or commodities to or for the benefit of any Borrower, and the Borrowers shall use commercially reasonable efforts to obtain authenticated control letters from such issuer or intermediary, in form and substance reasonably satisfactory to the Agent, within ten (10) days of the Agent's demand therefor.

(c) If any Borrower is or becomes the beneficiary of a letter of credit in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00), such Borrower shall promptly, and in any event within two (2) Business Days after becoming a beneficiary, notify the Agent thereof and, following the Agent's request, enter into a tri-party agreement with the Agent and the issuer and/or confirmation bank with respect to all Letter of Credit Rights in connection with

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such letter of credit, assigning such Letter of Credit Rights to the Agent and directing all payments thereunder to an account designated by the Agent, which tri-party agreement shall be in form and substance reasonably satisfactory to the Agent.

(d) The Borrowers shall promptly take all steps necessary to grant the Agent control of all electronic chattel paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

(e) The Borrowers hereby irrevocably authorize the Agent at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements, amendments and continuations thereto that (i) describe Collateral (x) as all assets of the Borrowers or words of similar effect (other than assets expressly excluded from the description of Collateral herein), regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code in such jurisdiction, or (y) as being of an equal or lesser scope or with greater detail, and (ii) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement, continuation or amendment, including (I) whether any Borrower is an organization, the type of organization and any organization identification number issued to such Borrower, and (II) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Borrowers agree to furnish any such information to the Agent promptly upon request. The Borrowers also ratify their authorization for the Agent to have filed in any Uniform Commercial Code jurisdiction any initial financing statements, continuations thereof or amendments thereto if filed prior to the Closing Date.

(f) The Borrowers shall promptly, and in any event within three (3) Business Days after the same is acquired by any Borrower, notify the Agent of any Commercial Tort Claim (as defined in the UCC) with a value in excess of One Hundred Thousand and No/100 Dollars ($100,000.00) acquired by a Borrower and unless otherwise consented to by the Agent, such Borrower shall enter into a supplement to this Agreement, granting to the Agent a security interest in such Commercial Tort Claim.

(g) If any Borrower retains possession of any Chattel Paper or Instruments with the Agent' s consent, such Chattel Paper and Instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Citizens Bank of Pennsylvania, as Agent."

(h) No Borrower shall reincorporate or reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is incorporated as of the date hereof without the prior written consent of the Agent.

(i) Each Borrower acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Agent and agrees that it will not do so without the prior

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written consent of the Agent, except as may be permitted pursuant to Section 9-509(d)(2) of the UCC.

6.15. **Financial Covenants of the Borrowers.** So long as any Obligation remains outstanding or this Agreement remains in effect, the Borrowers will comply with each of the financial covenants set forth below.

(a) Fixed Charge Coverage Ratio. The Borrowers and the Non-Borrower Subsidiaries will maintain on a consolidated basis a Fixed Charge Coverage Ratio of: (i) not less than 1.15 to 1.00 for each fiscal quarter through the fiscal quarter ending June 30, 2005; and (ii) not less than 1.25 to 1.00 for the fiscal quarter ending September 30, 2005 and each fiscal quarter thereafter. For purposes of the foregoing, "Fixed Charge Coverage Ratio" shall mean, for each measurement period, the sum of EBITDA, plus real property rent expense and operating lease expense, divided by the sum of the Borrowers' and the Non-Borrower Subsidiaries' real property rent expense and operating lease expense, plus cash interest expense, plus cash taxes paid, plus required principal payments on debt, plus capital lease payments. The Fixed Charge Coverage Ratio shall be measured on the last day of each fiscal quarter throughout the term of the Loan and shall be calculated on a four (4) quarter rolling basis.

(b) Asset Coverage Ratio. The Borrowers and the Non-Borrower Subsidiaries will maintain on a consolidated basis an Asset Coverage Ratio of not less than 1.00 to 1.00 for each fiscal quarter. For purposes of the foregoing, "Asset Coverage Ratio" shall mean, for each measurement period, the sum of the Borrowers' gross accounts receivable (billed and unbilled), plus unrestricted cash, divided by the sum of the prior thirty (30) day average outstanding loan balance under the Facilities, plus the face amount of all outstanding Letters of Credit on the "as of" date of the calculation, plus (i) from and after the date hereof until the date which is one (1) year from the date hereof, the greater of: (a) Six Million and No/100 Dollars ($6,000,000.00), and (b) fifty percent (50%) of the outstanding balance of the Term Loan on the "as of" date of the calculation, (ii) from and after the date which is one (1) year from the date hereof until the date which is two (2) years from the date hereof, the greater of (a) Eight Million and No/100 Dollars ($8,000,000.00), and (b) eighty percent (80%) of the outstanding balance of the Term Loan on the "as of" date of the calculation, and (iii) from and after the date which is two (2) years from the date hereof, the greater of (a) Six Million and No/100 Dollars ($6,000,000.00) and (b) one hundred percent (100%) of the outstanding balance of the Term Loan on the "as of" date of the calculation.

(c) Leverage Ratio. The Borrowers and the Non-Borrower Subsidiaries will maintain on a consolidated basis for each quarter ending during the periods specified below, a Leverage Ratio of not more than the following:

Period	Required Leverage Ratio
From the Closing Date through September 30, 2004	Less than or equal to 3.50 to 1.00
From and after October 1, 2004	Less than or equal to 3.00 to 1.00

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For purposes of the foregoing, "Leverage Ratio" shall mean, for each measurement period, the ratio of the Borrower' s and the Non-Borrower Subsidiaries Total Debt to EBITDA. The Leverage Ratio shall be measured on the last day of each fiscal quarter throughout the term of the Loan.

(d) Capital Expenditures. The Borrowers and the Non-Borrower Subsidiaries shall not, on an aggregate and consolidated basis, make or incur any capital expenditures (including, but not limited to, expenditures for leasehold improvements and capitalized costs) during any fiscal year in excess of Four Million Five Hundred Thousand and No/100 Dollars ($4,500,000.00); provided, however, that if in any fiscal year the Borrowers' and the Non-Borrower Subsidiaries capital expenditures are less than Four Million Five Hundred Thousand and No/100 Dollars ($4,500,000.00) (a "Carryover Year"), the capital expenditure limit for the immediately following fiscal year shall be increased by the amount by which Four Million Five Hundred Thousand and No/100 Dollars ($4,500,000.00) exceeds the amount of capital expenditures made by the Borrowers and the Non-Borrower Subsidiaries in the Carryover Year, but in no event shall the amount carried over to any future year exceed Two Million Two Hundred Fifty Thousand and No/100 Dollars ($2,250,000.00).

(e) Continued Profitability. The Borrowers and the Non-Borrower Subsidiaries shall not, on a consolidated basis, sustain or incur negative Consolidated Net Income for any fiscal quarter throughout the term of the Loan; it being understood and agreed that the non-cash charges listed on Schedule B hereto, and any other non-cash charges pre-approved in writing by the Agent, in its sole and absolute discretion, may be added back to operating income for the sole purpose of calculating the Borrowers' and the Non-Borrower Subsidiaries Consolidated Net Income.

Unless otherwise defined in this Agreement, all financial terms used in this Section 6.15 shall have the meanings attributed to such terms in accordance with GAAP; provided that the aggregate amount of EBITDA attributable to the Non-Borrower Subsidiaries included for purposes of calculating compliance with this Section 6.15 shall at no time account for more than five percent (5%) of the total EBITDA of the Borrowers on a consolidated basis for the applicable period.

6.16. **Landlord Waivers; Subordination.** The Borrowers (other than the UK Borrowers) shall provide to the Agent, landlord waivers with respect to each location at which any Borrower (other than a UK Borrower) now or hereafter stores, keeps or locates its books and records, as well as for each location where any Borrower' s (other than a UK Borrower' s) assets are now or hereafter located (other than with respect to those locations set forth on ***Schedule 6.16(a)*** hereto). Notwithstanding the foregoing, it is understood and agreed that on the Closing Date, the applicable Borrowers shall deliver to the Agent executed landlord waivers relating to its leased properties described on ***Schedule 6.16(b)*** hereto. The failure of the applicable Borrowers to obtain any such landlord waiver referenced in ***Schedule 6.16(b)*** above, shall not constitute an Event of Default hereunder provided that: (a) the Borrowers shall have diligently exercised commercially reasonable efforts to obtain such landlord waiver(s) or, in the alternative, a landlord access letter in the form and substance attached as ***Exhibit 9*** hereto; and (b) the applicable Borrower has provided to the Agent a copy of all correspondence between it and the landlord relating to the landlord waiver or landlord access letter.

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6.17. **Substitute Notes**. Upon request of the Agent, each Borrower shall execute and deliver to the Agent substitute promissory notes, substantially in the same form and substance as the Notes issued on the Closing Date, payable to the order of such person or entity as may be designated by the Agent; it being understood and agreed, however, that the aggregate maximum principal amount of all promissory notes which are issued and outstanding (excluding the Swing Line Note) shall not exceed the Commitment Amount as of the date such substitute note(s) are issued.

6.18. **Interest Rate Contracts**. The Borrowers may have in effect, from time to time, interest rate protection agreements ("Interest Rate Contracts") reasonably satisfactory to the Agent. Any such Interest Rate Contract must be purchased from a Lender, an affiliate of a Lender or any financial institution reasonably acceptable to the Agent. The Borrowers' obligations under any Interest Rate Contract purchased from a Lender or an affiliate of a Lender shall be secured by the Collateral on a pari passu basis. All other Interest Rate Contracts shall be unsecured in all respects. The Borrowers shall determine to their own satisfaction whether each such Interest Rate Contract is sufficient to meet the Borrowers' needs for interest rate protection, and neither the Agent nor any Lender shall have any obligation or liability with respect thereto, nor any obligation to propose, quote or enter into any Interest Rate Contract, unless such Interest Rate Contract shall be on terms and conditions satisfactory to the applicable Lender in all respects.

ARTICLE 7
NEGATIVE COVENANTS OF THE BORROWERS

So long as any Obligation remains outstanding or this Agreement remains in effect, each Borrower jointly and severally covenants and agrees that, without the prior written consent of the Agent, the Borrowers will not:

7.1. **Change of Control; Disposition of Assets; Merger**.

(a) permit majority ownership or effective control (including the right to elect a majority of the board of directors) of any Borrower to be sold, assigned or otherwise transferred, legally or equitably, to any person or entity, except to another Borrower; or

(b) suffer or permit the issuance of any capital stock of the Borrowers (other than capital stock of the Parent Company); or

(c) permit any Borrower to sell, assign, loan, deliver, lease, transfer or otherwise dispose of property or assets (including, without limitation, stock, equity or any other type of ownership interests of another Borrower), except for (i) transfers of assets between Borrowers in which the Agent continues to have a perfected first priority security interest in and to all such assets constituting Collateral (after giving effect to such transfer), subject, however, to Permitted Liens; and (ii) asset dispositions to non-Borrowers consummated in the ordinary course of the Borrowers' business, provided that the fair market value of any and all such asset dispositions does not exceed Five Hundred Thousand and No/100 Dollars ($500,000.00), in the aggregate, during any twelve (12) month period; or permit any Borrower to become a party to any document, instrument or agreement (other than this Agreement, the other Loan Documents

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and the Allied Documents) which prohibits, limits or restricts such Borrower from assigning, pledging, hypothecating or otherwise encumbering any of its assets, including, without limitation, any stock of another Borrower; or

(d) permit any Borrower or any subsidiary or affiliate of any Borrower to merge or consolidate with any business, company or enterprise, or acquire or purchase any business, company or enterprise or acquire or purchase substantially all of the assets of any business, company or enterprise; it being understood and agreed, however, that the Agent' s prior written consent shall not be required for any merger between Borrowers; provided that (i) the Borrowers shall have provided not less than twenty (20) days prior written notice to the Agent and Lenders of the proposed merger, and such notice sets forth all of the material terms of such merger (including, without limitation, the purpose for consummating such merger), (ii) after giving effect to such merger, the Agent shall have a perfected first priority security interest in and to all of the assets of the surviving Borrower constituting Collateral (subject to Permitted Liens), (iii), within ten (10) days of the effective date of such merger, true, correct and complete state-certified copies of the articles of merger, plan of merger and all other documents, instruments and agreements relating thereto shall have been provided by the Borrowers to the Agent and Lenders, and (iv) promptly (but in all events within twenty (20) days) following the Agent' s request, the Borrowers shall have executed, issued and/or delivered to the Agent such documents, instruments and agreements as the Agent or the Lenders may reasonably require in connection with or as a result of such merger.

7.2. **Margin Stocks.** Use all or any part of the proceeds of any advance made hereunder to purchase or carry, or to reduce or retire any loan incurred to purchase or carry, any margin stocks (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any such margin stocks.

7.3. **Change of Operations.** Change, in any material respect, the general character of any Borrower' s business as conducted on the Closing Date, or engage in any type of business not directly related to or compatible with such business as presently and normally conducted.

7.4. **Judgments; Attachments.** Suffer or permit any judgment in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00) against any Borrower or any attachment against any Borrower' s property (for an amount not fully covered by insurance) to remain unpaid, undischarged or undismissed for a period of ten (10) days, unless enforcement thereof shall be effectively stayed or bonded.

7.5. **Further Assignments; Performance and Modification of Contracts; etc.** Except as may be expressly permitted by the Loan Documents (i) make any further assignment, pledge or disposition of the Collateral or any part thereof; (ii) permit any set-off or reduction, delay the timing of any payment under, or otherwise modify any Material Contract, if such set-off, reduction, delay or modification (a) would give rise to a Borrowing Base Deficiency, or (b) is reasonably likely to have a Material Adverse Effect; (iii) create, incur or permit to exist any lien or encumbrance on any real property now or hereafter owned by any Borrower; (iv) suffer or permit any amendment or modification to any Borrower' s corporate governance documents,

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provided, however, that to the extent any such amendment or modification does not in any way adversely affect the Agent and/or the Lenders' rights and remedies under this Agreement or their security interest in the Collateral, such Borrower shall only be required to provide a copy of such amendment or modification to the Agent with thirty (30) days of the implementation of such amendment or modification; or (v) do or permit to be done anything to impair the Agent' s security interest in any Collateral or the payments due to any Borrower thereunder; it being understood that reasonable and customary compromises and settlements with Account Debtors in the ordinary course of the Borrower' s business and dispositions or transfers permitted by Section 7.1(c)(ii) of this Agreement will not constitute a violation of this covenant.

7.6. **Affect Rights of the Agent or Lenders.** At any time do or perform any act or permit any act to be performed which could reasonably be expected to materially adversely affect the interests or rights of the Agent or Lenders under any Loan Document.

7.7. **Indebtedness; Granting of Security Interests**.

(a) suffer or permit any Borrower to incur any Indebtedness in excess of One Million and No/100 Dollars ($1,000,000.00), in the aggregate, per annum, whether direct or indirect, except for:

(i) trade debt and accrued liabilities incurred in the ordinary course of business;

(ii) Indebtedness incurred pursuant to this Agreement;

(iii) Indebtedness incurred pursuant to the Term Loan;

(iv) the Subordinated Debt;

(v) guarantees of Indebtedness of a Borrower otherwise permitted by this Section 7.7.

(vi) Indebtedness arising from advances permitted pursuant to Section 7.8(c) of this Agreement; and

(vii) Indebtedness incurred pursuant to interest rate contracts entered into by the Borrowers in accordance with Section 6.18 of this Agreement.

(b) mortgage, assign, pledge, hypothecate or otherwise encumber or permit any lien, security interest or other encumbrance, including purchase money liens, whether under conditional or installment sales arrangements or otherwise, to affect the Collateral or any other assets or properties of any Borrower (except for Permitted Liens and other liens, security interests or encumbrances expressly permitted herein), nor shall any Borrower guarantee or otherwise become obligated for any indebtedness of others; or

(c) enter into any agreement or understanding with any person or entity pursuant to which any Borrower agrees to be bound by a covenant not to encumber all or any

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part of the property or assets of such Borrower, unless such agreement or understanding is entered into in connection with the granting of purchase money security interests permitted pursuant to the terms and provisions of this Agreement, it being understood and agreed that the execution and delivery of the Allied Documents on the Closing Date shall not constitute a violation of this covenant.

7.8. **Dividends; Loans; Advances; Investments and Similar Events**.

(a) declare or pay any dividends in excess of One Million Two Hundred Thousand and No/100 Dollars ($1,200,000.00), in the aggregate, per annum, on any Borrower' s capital stock of any class; it being understood and agreed that such dividends may be declared and paid only to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP, and may only be declared and paid if (i) prior to and after giving effect to any such payment no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default and (ii) not less than fifteen (15) days prior to the declaration or payment of any such dividend, the Borrowers deliver to the Agent a certificate of the Parent Company duly executed on its behalf by the Parent Company' s Chief Financial Officer or another duly authorized executive officer of the Parent Company certifying that, prior to and after giving effect to any such payment, no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default containing detailed calculations of the relevant items used to calculate such compliance with the financial covenants set forth in Section 6.15, in form and substance satisfactory to the Agent. Notwithstanding the foregoing, any Borrower shall be entitled to pay dividends to another Borrower without limit on the dollar amount thereof, provided that (i) no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default; and (ii) if any such dividends are payable to both a Borrower and a non-Borrower minority shareholder, the aggregate amount of any and all dividends paid or payable to all non-Borrower minority shareholders shall not exceed One Hundred Thousand and No/100 Dollars ($100,000.00) per annum;

(b) Except with respect to the Parent Company alter or amend any Borrower' s capital structure, purchase, redeem or otherwise retire any shares of any Borrower' s capital stock, voluntarily prepay, acquire or anticipate any sinking fund requirement of any indebtedness, or make any distributions in cash or assets to any Borrower' s shareholders or any Borrower' s affiliate;

(c) Except as set forth in ***Schedule 7.8*** hereto, make any loans, salary advances or other payments to (i) any shareholders of any Borrower, unless such shareholder is also a Borrower party to this Agreement in which the Agent has a perfected security interest in and to all of its assets constituting Collateral at the time such loan, salary advance or other payment is made; (ii) any corporation or other enterprise directly or indirectly owned in whole or in part by any shareholder of any Borrower, unless such corporation or other enterprise is also a Borrower party to this Agreement in which the Agent has a perfected security interest in and to all of its assets constituting Collateral at the time such loan, salary advance or other payment is made; or (iii) any other person or entity; provided, however, that the Borrowers may pay, make or continue to have outstanding any or all of the following:

(i) normal and customary operating expenses, travel and expense reimbursements to salaried employees and trade credit extended to customers of the Borrowers in the ordinary course of business;

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(ii) regularly scheduled salary payments to individuals who are also salaried employees of any Borrower;

(iii) loans and working capital advances to a subsidiary of any Borrower which is not a Borrower hereunder, provided that the aggregate outstanding amount of all such loans and advances does not at any time exceed One Million and No/100 Dollars ($1,000,000.00);

(iv) the loan(s) described on ***Schedule 7.8*** hereto limited to the corresponding amounts set forth on ***Schedule 7.8***; and

(v) Ordinary Course Payments.

7.9. **Lease Obligations**. Except in the ordinary course of business, enter into any new lease of real or personal property, or modify, amend, restate or renew any lease of real or personal property in effect as of the Closing Date.

7.10. **Term Loan and Subordinated Debt**. Subject to the terms of the Subordination Agreements, modify or amend, in any respect, any of the terms of the Term Loan or the Subordinated Debt; or modify or amend any of the Allied Documents executed, issued and/or delivered prior to the Closing Date, or make any voluntary prepayments of amounts owing pursuant to the Junior Facilities.

7.11. **Transactions with Affiliates**. Enter into or otherwise bind any Borrower to any contract, agreement or other understanding with any person or entity directly or indirectly related to, affiliated with or under common control or ownership with such Borrower or any affiliate of such Borrower, except upon fair and reasonable terms which are at least as favorable to such Borrower as would be the case in a comparable, arm' s-length transaction with an unaffiliated and unrelated entity or person.

7.12. **Sale and Leaseback Transactions**. Directly or indirectly, enter into any arrangement with any person or entity providing for such Borrower to lease or rent property that such Borrower has sold or will sell or otherwise transfer to such person or entity.

7.13. **Fiscal Year/Accounting Method**. Permit or cause any Borrower to amend its fiscal year or its method of accounting.

7.14. **Lockbox Deposits**. Permit or cause any and all payments required to be made directly to the Agent, pursuant to Section 11.2 of this Agreement, to be made or directed to any other person or entity, without the prior approval of the Agent.

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ARTICLE 8
COLLATERAL ACCOUNTS

Each of Opinion Research Corporation, Macro International Inc. and ORC ProTel, Inc. shall establish a separate collateral account with the Agent (collectively, the "Collateral Accounts"). Each Borrower shall deposit or cause to be deposited into a collateral account designated for such Borrower on ***Schedule C*** hereto (or as otherwise designated by the Agent), all checks, drafts, cash and other remittances received by the Borrowers, and shall deposit such items for credit to the applicable Collateral Accounts within one (1) Business Day of the receipt thereof and in precisely the form received. Pending such deposit, the Borrowers will not commingle any such items of payment with any of their other funds or property, but will hold them separate and apart.

The Borrowers hereby covenant and agree that the Collateral Accounts shall secure the Obligations and hereby grants, assigns and transfers to or at the direction of the Agent, for the benefit of the Lenders ratably, a continuing security interest in all of the Borrowers' right, title and interest in and to the Collateral Accounts, whenever created or established. Subject to the terms of this Agreement or any other Loan Document, the Agent may apply funds in the Collateral Accounts to any of the Obligations, including, without limitation, any principal, interest or other payment(s) not made when due, whether arising under this Loan Agreement and/or any other Loan Document, or any other Obligation of the Borrowers, without notice to the Borrowers, without regard to the origin of the deposits in the account, the beneficial ownership of the funds therein or whether such Obligations are owed jointly with another or severally; the order and method of such application to be in the sole discretion of the Agent. The Agent' s right to deduct sums due under the Loan Documents from the Borrowers' account(s) shall not relieve the Borrowers from their obligation to make all payments required by the Loan Documents as and when required by the Loan Documents, and the Agent shall not have any obligation to make any such deductions or any liability whatsoever for any failure to do so.

ARTICLE 9
DEFAULT AND REMEDIES

9.1. **Events of Default.** Any one of the following events shall be considered an "Event of Default":

(a) if any Borrower shall fail to pay any interest owing on any of the Notes or pursuant to any other Obligation within five (5) days of the date when due, or shall fail to pay any principal owing on any of the Notes or pursuant to any other Obligation within three (3) days of the date when due, whether by reason of acceleration or otherwise, or if any Borrower shall fail to pay within five (5) days of demand, any fees or other sums payable pursuant to this Agreement, the Note or any other Loan Document; or

(b) if a Borrowing Base Deficiency shall occur, and the Borrowers fail, within two (2) Business Days of such occurrence, without notice or demand therefor, to make a payment to the Agent in an amount equal to or greater than the Borrowing Base Deficiency; or

(c) if any Borrower shall fail to pay and satisfy in full, within ten (10) days of the rendering thereof, any judgment against any Borrower in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00) which is not, to the reasonable satisfaction of the Agent, fully bonded, stayed, covered by insurance or covered by appropriate reserves; or

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(d) if any warranty or representation set forth in this Agreement or in any other Loan Document shall be misleading or untrue in any material respect when made or remade; or

(e) if there shall be non-compliance with or a breach of any of the Affirmative Covenants contained in this Agreement (other than financial covenants set forth in Section 6.15 of this Agreement), or, any of the Negative Covenants set forth in Sections 7.7, 7.8 (except with respect to a breach caused by a declaration or payment to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP) or 7.11 of this Agreement to the extent that they curable, and such non-compliance or breach shall continue unremedied after fifteen (15) days written notice from the Agent, or if any Borrower shall fail to observe or perform any of the Negative Covenants set forth in Section 7.7, 7.8 (except with respect to a breach caused by a declaration or payment to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP) or 7.11 and, if reasonably capable of cure, the Borrower shall fail to cure the same within fifteen (15) days after further notices from the Agent; or

(f) if there shall be non-compliance with or a breach of any of the Negative Covenants contained in this Agreement (other than with respect to those described in Section 9.1(e) of this Agreement); or

(g) if there shall be non-compliance with or a breach of any of the financial covenants set forth in Section 6.15 of this Agreement; or

(h) if, unless otherwise expressly (and specifically) addressed in this Section 9.1, there shall be non-compliance or a breach of any non-monetary covenants or agreements of any Borrower set forth in the Notes or in any other Loan Document, and such non-compliance or breach shall continue unremedied beyond (i) fifteen (15) days following written notice from the Agent, or (ii) such shorter applicable notice and cure period as may be specified in the applicable Loan Document; or

(i) if (i) without the prior written consent of the Agent, any Borrower shall be liquidated or dissolved or shall discontinue its business in violation of the terms of this Agreement; (ii) a trustee or receiver is appointed for any Borrower or for all or a substantial part of its assets; (iii) any Borrower makes a general assignment for the benefit of creditors; (iv) any Borrower files or is the subject of any insolvency proceeding or petition in bankruptcy, which in the case of an involuntary bankruptcy, remains undismissed for sixty (60) days; (v) any Borrower shall become insolvent or any Borrower shall at any time fail generally to pay its debts as such debts become due; or (vi) any governmental agency or bankruptcy court or other court of competent jurisdiction shall assume custody or control of the whole or any part of the assets of any Borrower; or

(j) if any action is legally taken by a judgment creditor to levy upon, attach or subject to any other enforcement proceeding any Borrower' s property or assets with a value of Five Hundred Thousand and No/100 Dollars ($500,000.00) or more, in the aggregate, including, without limitation, any deposit accounts, which is not fully bonded or stayed to the Agent' s and Lenders' satisfaction; or

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(k) the reorganization of any Borrower, without the prior written consent of the Agent; or

(l) if any obligation of any Borrower for the payment of borrowed money, which involves amounts in excess of Five Hundred Thousand and No/100 Dollars ($500,000.00), whether now existing or hereafter created, incurred or arising, becomes or is declared to be due and payable prior to the expressed maturity thereof, whether such obligation is owed to a Lender or any other person or entity; or

(m) if any Borrower is in default under any Material Contract, and the other party thereto commences exercise of its rights and remedies under such Material Contract as a consequence of such default (excluding those defaults pursuant to which the other party thereto has made a monetary claim for less than Five Hundred Thousand and No/100 Dollars ($500,000.00)); or

(n) if (i) any Borrower is debarred or suspended from contracting with any part of the Government; (ii) a notice of debarment or suspension shall have been issued to any Borrower; or (iii) a notice of termination for default or the actual termination for default of any Material Contract shall have been issued to or received by any Borrower; or (iv) a Government investigation or inquiry relating to any Borrower and involving fraud, deception, dishonesty or willful misconduct shall have been commenced in connection with any Material Contract or any Borrower' s activities; or

(o) if a default shall occur under either of the Junior Facilities or any of the documents executed in connection therewith and such default shall remain uncured beyond any applicable notice and cure period; or

(p) if the Agent or the Required Lenders believe in good faith that there is a material adverse change in the business, assets, properties, condition (financial or otherwise) of the Borrowers, in the aggregate.

9.2. **Remedies.** Upon the occurrence of any Event of Default, the Agent, acting on behalf of the Lenders, may exercise any or all of the following remedies:

(a) Withhold disbursement of all or any part of the Loan proceeds;

(b) Terminate the Lenders' obligation to make further disbursements of the Loan proceeds;

(c) Declare all principal, interest and other sums owing on the Obligations to be immediately due and payable without demand, protest, notice of protest, notice of default, presentment for payment or further notice of any kind;

(d) Without notice, redirect any and all of the Borrowers' deposits to the Collateral Accounts;

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(e) Without notice, offset and apply against all or any part of the Obligations then owing by any Borrower to any Lender, any and all money, credits, stocks, bonds or other securities or property of any Borrower of any kind or nature whatsoever on deposit with, held by or in the possession of any Lender in any capacity whatsoever, including, without limitation, any deposits with any Lender or any of its affiliates, to the credit of or for the account of any Borrower. The Agent and Lenders are authorized at any time to charge the Obligations against any Borrower' s account(s), without regard to the origin of deposits to the account or beneficial ownership of the funds. Any and all amounts obtained by the Agent or any Lender pursuant to this subsection (e) shall be shared by all of the Lenders ratably, in accordance with each Lender' s Percentage; it being expressly acknowledged and agreed that each Lender, as well as the Agent, shall be entitled to exercise the rights of set-off provided in this subsection (e) of this Section 9.2;

(f) Exercise all rights, powers and remedies of a secured party under the UCC and/or any other applicable law(s), including, without limitation, the right to (i) require any Borrower to assemble the Collateral (to the extent that it is movable) and make it available to the Agent at a place to be designated by the Agent, and (ii) enter upon any Borrower' s premises, peaceably by the Agent' s own means or with legal process, and take possession of, render unusable or dispose of the Collateral on such premises; each Borrower hereby agreeing not to resist or interfere with any such action. The Agent agrees to give the Borrowers written notice of the time and place of any public sale of the Collateral or any part thereof, and the time after which any private sale or any other intended disposition of the Collateral is to be made, and such notice will be mailed, postage prepaid, to the principal place of business of the Borrowers, at least ten (10) days before the time of any such sale or disposition. Each Borrower hereby authorizes and appoints the Agent and its successors and assigns to (x) sell the Collateral, and (y) declare that each Borrower assents to the passage of a decree by a court of proper jurisdiction for the sale of the Collateral. Any such sale pursuant to (x) or (y) above is to be made in accordance with the applicable provisions of the laws and rules of procedure of the State of Maryland or other applicable law; and/or

(g) Proceed to enforce such other and additional rights and remedies as the Agent and/or Lenders may have hereunder and/or under any of the other Loan Documents, or as may be provided by applicable law.

It is expressly understood and agreed that the Lenders and/or the Agent may exercise their respective rights under this Agreement or under any other Loan Document without exercising the rights or affecting the security afforded by any other Loan Document, and it is further understood and agreed that the Agent may proceed against all or any portion of the Collateral in such order and at such times as the Agent, in its sole discretion, sees fit; and each Borrower hereby expressly waives, to the extent permitted by law, all benefit of valuation, appraisement, marshaling of assets and all exemptions under the laws of the State of Maryland and/or any other state, district or territory of the United States. Furthermore, if any Borrower shall default in the performance when due of any of the provisions of this Agreement, the Agent, without notice to or demand upon the Borrowers (and without any grace or cure period) and without waiving or releasing any of the Obligations or any default hereunder, under the Notes or under any other Loan Document, may (but shall be under no obligation to) perform the same for each Borrower' s account, and any monies expended in so doing shall be chargeable to the

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Borrowers with interest, at the highest rate of interest payable under the Notes, plus two percent (2%), and added to the indebtedness secured by the Collateral.

All sums paid or advanced by the Agent in connection with the foregoing or otherwise in connection with the Loan, and all court costs and expenses of collection, including without limitation, reasonable attorneys' fees and expenses (and fees and expenses resulting from the taking, holding or disposition of the Collateral) incurred in connection therewith shall be paid by the Borrowers upon demand and shall become a part of the Obligations secured by the Collateral. The Borrowers agree to bear the expense of each lien search, property and judgment report or other form of Collateral ownership investigation as the Agent, in its discretion, shall deem necessary or desirable to assure or further assure to the Lenders and/or the Agent their respective interests in the Collateral.

ARTICLE 10
THE AGENT; AGENCY

10.1. **Appointment.** Each Lender hereby affirms its irrevocable appointment of Citizens Bank to act as the Agent for each such Lender pursuant to the provisions of this Agreement and the other Loan Documents, and affirms its irrevocable authorization given to the Agent to take such action, and exercise such powers and perform such duties as are expressly delegated to or required of the Agent by the terms hereof or thereof, or are reasonably incidental thereto, including without limitation, executing documents on behalf of the Lenders, as agent. Citizens Bank affirms its agreement to act as the Agent on behalf of the Lenders on the terms and conditions set forth in this Agreement and the other Loan Documents, subject to its right to resign as provided in Section 10.10. Each Lender agrees that the rights and remedies granted to the Agent under this Agreement and the other Loan Documents shall be exercised exclusively by the Agent, and that no Lender shall have the right individually to exercise any such right or remedy, except to the extent expressly provided herein or therein.

10.2. **General Nature of Agent' s Duties.** Notwithstanding anything to the contrary elsewhere in this Agreement or any other Loan Document:

(a) The Agent shall have no duties or responsibilities other than those expressly set forth in this Agreement and the other Loan Documents, and no implied duties or responsibilities on the part of the Agent shall be read into this Agreement or any other Loan Document or shall otherwise exist.

(b) The duties and responsibilities of the Agent under this Agreement and the other Loan Documents shall be mechanical and administrative in nature, and the Agent shall not have a fiduciary relationship in respect of any Lender.

(c) The Agent is and shall be solely the agent of the Lenders. The Agent does not assume, and shall not at any time be deemed to have, any relationship of agency or trust with or for, or any other duty or responsibility to, any Borrower or any other person.

(d) The Agent shall not have any obligation to take any action hereunder or under any other Loan Document if the Agent believes in good faith that taking such action may

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conflict with any Applicable Laws, or any provision of this Agreement or any other Loan Document, or may require the Agent qualify to do business in any jurisdiction where it is not then so qualified.

10.3. **Exercise of Powers**.

(a) The Agent shall have the authority to take any action of the type specified in this Agreement or any other Loan Document as being within the Agent' s rights, powers or discretion, as it determines in its sole discretion, except as provided in subsection (b) below, and except as provided in any other Loan Document which expressly requires the direction or consent of (i) the Required Lenders; or (ii) all of the Lenders, in either of which circumstances the Agent shall not take such action absent such direction or consent. Any action or inaction pursuant to such direction or consent shall be binding on all of the Lenders.

(b) The Agent shall not in any material respect amend, modify, grant consents or waive any term or provision of this Agreement or any other Loan Document without the consent or approval of the Required Lenders, or declare an Event of Default, provide formal written notice of default to any Borrower or exercise any rights or remedies against any Borrower without the prior consent of the Required Lenders. Each Lender agrees that its decision to consent to or reject any request by the Agent for permission to declare an Event of Default, provide formal notice thereof to any Borrower and/or exercise any rights or remedies arising by virtue of such default, shall be made as soon as reasonably practicable after the Lender has received all relevant information with respect to such request, but in all events within five (5) Business Days of the receipt of such information; it being understood and agreed that, unless otherwise provided herein, the Agent shall exercise any and all rights and responsibilities on behalf of the Lenders in connection with an Event of Default. Additionally, only with the consent or approval of all of the Lenders, the Agent may (a) extend the final maturity of the Loan or any Note, reduce the interest rate payable on or extend the time of payment for any installment of principal, interest or fees payable in connection with the Loan, or issue Letters of Credit having an expiration date beyond the Revolving Facility Maturity Date (except as otherwise expressly provided in this Agreement) or cause the aggregate outstanding amount of all such Letters of Credit issued to exceed Five Million and No/100 Dollars ($5,000,000.00); (b) change the Percentage of the Commitment Amount of any Lender, (c) release all or a substantial portion of the Collateral, except in accordance with the provisions of any applicable Loan Document, (d) amend the definition of the Required Lenders or expand the definitions of Eligible Billed Government Accounts Receivable, Eligible Billed Commercial Accounts Receivable, Eligible Billed Foreign Accounts Receivable, Eligible Unbilled Government Accounts Receivable, Eligible Unbilled Foreign Accounts Receivable and/or Eligible Unbilled Commercial Accounts Receivable, (e) consent to the assignment or transfer by any Borrower of any of its rights or obligations hereunder, (f) amend, modify or waive any provisions of this Section 10.3, (g) change the manner of application by the Agent of payments made under the Loan Documents, or (h) change the method of calculation used in connection with the computation of interest, commissions or fees. Each Lender agrees that its decision to approve or reject any request for an amendment or waiver with respect to this Agreement shall be made as soon as reasonably practicable after the Lender has received all relevant information with respect to such request.

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10.4. **General Exculpatory Provisions.** Notwithstanding anything to the contrary elsewhere in this Agreement or any other Loan Document:

(a) The Agent, in its capacity as Agent (but not as a Lender), shall not be liable for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Loan Document, unless caused by its own gross negligence or willful misconduct.

(b) The Agent shall not be responsible for (i) the execution, delivery, effectiveness, enforceability, genuineness, validity or adequacy of this Agreement or any other Loan Document, (ii) any recital, representation, warranty, document, certificate, report or statement in this Agreement or any other Loan Document, (iii) any failure of any Borrower or any Lender to perform any of their respective obligations under this Agreement or any other Loan Document, (iv) the existence, validity, enforceability, perfection, recordation, priority, adequacy or value, now or hereafter, of any lien or encumbrance or other direct or indirect security afforded or purported to be afforded by any of the Loan Documents, or otherwise from time to time, or (v) caring for, protecting, insuring or paying any taxes, charges or assessments with respect to any Collateral.

(c) The Agent shall have no obligation to ascertain, inquire or give any notice relating to (i) the performance or observance of any of the terms or conditions of this Agreement or any other Loan Document on the part of any Borrower, (ii) the business, operations, condition (financial or otherwise) or prospects of any Borrower, or (iii) except to the extent as may be set forth in Article 9 hereof, the existence of any Event of Default.

(d) The Agent shall have no obligation, either initially or on a continuing basis, to provide any Lender with any notices, reports or information of any nature, whether in its possession presently or hereafter, except for such notices, reports and other information expressly required by this Agreement or any other Loan Document to be furnished by the Agent to such Lender.

10.5. **Administration by the Agent**.

(a) The Agent may rely upon any notice or other communication of any nature (written or oral, including telephone conversations, whether or not such notice or other communication is made in a manner permitted or required by this Agreement or any other Loan Document) purportedly made by or on behalf of the proper party or parties, and the Agent shall not have any duty to verify the identity or authority of any person giving such notice or other communication.

(b) The Agent may consult with legal counsel (including in-house counsel for the Agent), independent public accountants and any other experts selected by the Agent from time to time, and the Agent shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts.

(c) The Agent may conclusively rely upon the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Agent in

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accordance with the requirements of this Agreement or any other Loan Document. Whenever the Agent shall deem it necessary or desirable that a matter be proved or established with respect to any Borrower or any Lender, such matter may be established by a certificate of such Borrower or such Lender, as the case may be, and the Agent may conclusively rely upon such certificate.

(d) The Agent may fail or refuse to take any action unless it shall be indemnified to its satisfaction from time to time against any and all amounts, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of every kind and nature which may be imposed on, incurred by or asserted against the Agent by reason of taking or continuing to take any such action**;** provided that no Lender shall be obligated to indemnify the Agent for any portion of such amounts, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements resulting solely from the gross negligence or willful misconduct of the Agent, as finally determined by a court of competent jurisdiction.

(e) The Agent may perform any of its duties under this Agreement or any other Loan Document by or through agents or attorneys-in-fact. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(f) The Agent shall not be deemed to have any knowledge or notice of the occurrence of any Event of Default (other than a default in the payment of regularly scheduled principal or interest), unless the Agent has received from a Lender or a Borrower a written notice referring to this Agreement, describing the Event of Default, and stating that such notice is a “notice of default”. If the Agent receives such a notice, the Agent shall give prompt notice thereof to each Lender.

(g) The Agent shall provide three (3) Business Days prior notice to the Lenders of any field audit scheduled to be performed by the Agent pursuant to Section 1.6 of this Agreement. The Lenders shall be entitled to (i) receive copies of field audits performed by the Agent, and (ii) accompany the Agent to any field audit, provided that (a) the Agent may, in its discretion, limit the number of Lenders attending any such field audit and (b) each such Lender receiving copies of or attending any such field audit must execute an agreement acknowledging that the Agent is not making any representations or warranties with respect to any such field audit.

10.6. **Lenders Not Relying on the Agent or Other Lenders**. Each Lender acknowledges as follows:

(a) Neither the Agent nor any other Lender has made any representations or warranties to it, and no act taken hereafter by the Agent or any other Lender shall be deemed to constitute any representation or warranty by the Agent or such other Lender to it.

(b) It has, independently and without reliance upon the Agent or any other Lender, and based upon such documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the other Loan Documents.

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(c) It will, independently and without reliance upon the Agent or any other Lender, and based upon such documents and information as it shall deem appropriate at the time, make its own decisions to take or not take action under or in connection with this Agreement and the other Loan Documents.

10.7. **Indemnification.** Each Lender agrees to reimburse and indemnify the Agent and the Agent' s directors, officers, employees and agents (to the extent not reimbursed by the Borrowers, and without limitation of the obligation of the Borrowers to do so), ratably in accordance with each Lender' s Percentage, from and against any and all amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs and disbursements of every kind or nature (including the reasonable fees and disbursements of counsel for the Agent or such other person in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not the Agent or such other person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Agent or such other person as a result of this Agreement, any other Loan Document, any transaction from time to time contemplated hereby or thereby, or any transaction financed in whole or in part or directly or indirectly with the proceeds of the Loan**;** provided that no Lender shall be obligated to indemnify the Agent or such other person for any portion of such amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting solely from the gross negligence or willful misconduct of the person seeking indemnity, as finally determined by a court of competent jurisdiction.

10.8. **Agent in its Individual Capacity; Agent' s Commitment.** With respect to its commitment and the Obligations owing to it, Citizens Bank shall have the same rights and powers under this Agreement and each other Loan Document as any other Lender, and may exercise the same as though it was not the Agent. The terms "Lender," "holders of Notes" and like terms shall include Citizens Bank in its individual capacity. Citizens Bank and its affiliates may, without liability to account for, make loans to, accept deposits from, acquire debt or equity interests in, act as trustee under indentures of and engage in any other business with any Borrower and any stockholder, subsidiary or affiliate of any Borrower, as though Citizens Bank was not the Agent hereunder.

10.9. **Holders of Notes.** The Agent may deem and treat any Lender which is the payee of a Note as the owner and holder of such Note for all purposes hereof unless and until written notice evidencing such transfer shall have been filed with the Agent. Any authority, direction or consent of any person who at the time of giving such authority, direction or consent was a Lender shall be conclusive and binding on each present and subsequent holder, transferee or assignee of any Note or Notes payable to such Lender or issued in exchange therefor.

10.10. **Successor Agent.** The Agent may resign at any time by giving ten (10) days prior written notice thereof to the Lenders and Borrowers, subject to appointment of a successor Agent (and such appointees acceptance of appointment) as below provided in this Section 10.10. Additionally, the Agent may be removed for cause by all of the Lenders (other than the Agent, if the Agent is then a Lender), if such removal is requested in writing (which wording must specifically identify the "cause" for removal), and ten (10) days' prior written notice of removal is provided to the Agent and Borrowers (or Lenders, if applicable). Upon any such resignation or removal, the Agent shall, on behalf of the Lenders, immediately appoint, as its successor,

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another Lender; provided that such Lender is a commercial bank or trust company organized under the laws of the United States of America or any State thereof and has a combined capital and surplus of at least One Billion and No/100 Dollars ($1,000,000,000.00). In such event, the Agent' s resignation or removal shall not be effective until the successor Agent shall have accepted its appointment. Upon the acceptance by a successor Agent of its appointment as the Agent hereunder, such successor Agent shall thereupon succeed to and become vested with all of the properties, rights, powers, privileges and duties of the former Agent, without further act, deed or conveyance. Upon the effective date of resignation or removal of the retiring Agent, such Agent shall be discharged from its duties under this Agreement and the other Loan Documents, but the provisions of this Agreement shall continue to be binding on and inure to its benefit as to any actions taken or omitted by it while it was the Agent under this Agreement. If for any reason, at any time, there is no Agent hereunder, then during such period, the Required Lenders shall have the right to exercise the Agent' s rights and perform its duties hereunder, except that (i) all notices or other communications required or permitted to be given to the Agent shall be given to each Lender, and (ii) all payments to be made to the Agent shall be made directly to the Borrowers or the Lender for whose account such payment is made.

10.11. **Additional Agents.** If the Agent shall from time to time deem it necessary or advisable to engage other agents for its own protection in the performance of its duties hereunder or in the interests of the Lenders, then the Agent and Borrowers shall execute and deliver a supplemental agreement and all other instruments and agreements necessary or advisable, in the opinion of the Agent, to constitute another commercial bank or trust company, or one or more other persons approved by the Agent, to act as co-Agent or a separate agent with respect to any part of the Collateral, with such powers as may be provided in such supplemental agreement, and with the power to vest in such bank, trust company or other person (as such co-Agent or separate agent, as the case may be), any properties, rights, powers, privileges and duties of the Agent under this Agreement or any other Loan Document.

10.12. **Calculations.** The Agent shall not be liable for any calculation, apportionment or distribution of payments made by it in good faith. If such calculation, apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Lender to whom payment was due but not made shall be to recover from the Lenders any payment in excess of the amount to which they are determined to be entitled, with interest thereon at the Federal Funds Rate, or, if the amount due was not paid by any Borrower, to recover such amount from such Borrower, with interest thereon at the rate provided in the applicable Note.

10.13. **Funding by the Agent**.

(a) Except as otherwise provided in this Agreement, the Agent alone shall be entitled to make all advances in connection with the Loan and shall receive all payments and other receipts relating to the Loan; it being understood, however, that the Agent has reserved the right not to advance any amounts to the Borrowers which the Agent has not received from the Lenders. The Agent will notify each Lender of the date and amount of any requested advance, and if such notification is received by 1:00 p.m. Washington, D.C. time on any given Business Day, the Lenders shall provide the required funds to the Agent no later than the close of business on such Business Day. Once per week, or within such shorter time frame as may be requested by

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the Agent, the Agent and each Lender shall pay to each other such amounts (the "Equalization Payments") as may be necessary to cause each Lender to own its applicable Percentage of the Loan and otherwise implement the terms and provisions of this Agreement; it being understood that each Lender shall be entitled to receive interest on amounts advanced by it only from the date of such Lender' s advance of funds. The obligation of the Agent and each Lender to make Equalization Payments shall not be affected by a bankruptcy filing by any Borrower, the occurrence of any Event of Default or any other act, occurrence or event whatsoever, whether the same occurs, before, on or after the date on which an Equalization Payment is required to be made. All Equalization Payments shall be made by 4:00 p.m. Washington, D.C. time on the date such payment is required, provided that notice of such Equalization payment shall have been given to the party obligated to make such payment by 1:00 p.m. Washington, D.C. time; otherwise such Equalization Payments shall be made on the next Business Day.

(b) Unless the Agent shall have been notified in writing by any Lender no later than the close of business on the Business Day before the Business Day on which an advance requested by the Borrowers is to be made, that such Lender will not make its ratable share of such advance, the Agent may assume that such Lender will make its ratable share of the advance, and in reliance upon such assumption the Agent may (but in no circumstances shall be required to) make available to the Borrowers a corresponding amount. If and to the extent that any Lender fails to make such payment to the Agent when required, such Lender shall pay such amount on demand (or, if such Lender fails to pay such amount on demand, the Borrowers shall arrange for the repayment of such amount to the Agent), together with interest for the Agent' s own account for each day from and including the date of the Agent' s payment, to and including the date of repayment to the Agent (before and after judgment). Interest (a) if paid by such Lender (i) for each day from and including the date of the Agent' s payment to and including the second Business Day thereafter, shall accrue at the Federal Funds Rate for such day, and (ii) for each day thereafter, shall accrue at the rate or rates per annum payable under the Notes; and (b) if paid by the Borrowers, shall accrue at the rate or rates per annum payable under the Notes. All payments to the Agent under this Section shall be made to the Agent at its office set forth in the preamble of this Agreement (or as otherwise directed by the Agent), in dollars, in immediately available funds, without set-off, withholding, counterclaim or other deduction of any nature.

(c) All borrowings under this Agreement shall be incurred from the Lenders pro rata on the basis of their respective Percentages (except to the extent advanced (i) as a Swing Line Loan, or (ii) by the Agent on behalf of any Lender as provided in subsection (a) or (b) above). It is understood that no Lender shall be responsible for any other Lender' s failure to meet its obligation to make advances hereunder, and that each Lender shall be obligated to make advances required to be made by it hereunder regardless of the failure of any other Lender to make its advances hereunder.

(d) Each payment and prepayment received by the Agent for the account of the Lenders shall be distributed first to the Swing Line Lender for application to any Swing Line Outstanding Amounts, and then to each Lender entitled to share in such payment, ratably in accordance with each Lender' s Percentage. Notwithstanding the provisions of Section 9.2(e) of this Agreement, any Lender who has failed to fund its Percentage of any advance under the Loan shall not be entitled to share in any such payment(s) until such time as the funding deficiency caused thereby, together with interest thereon (as provided in subsection (b) above), has been

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paid to the Agent in accordance with the terms and conditions of this Agreement. Payments from the Agent to the Lenders shall be made by wire transfer in accordance with written instructions provided to the Agent by the Lenders from time to time. Unless the Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Lenders hereunder that the Borrowers will not make such payment in full, the Agent may assume that the Borrowers have made such payment in full on such date and the Agent, in reliance upon such assumption, may cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrowers shall not have made such payment in full to the Agent, each Lender shall repay to the Agent upon its demand therefor such amount distributed to such Lender, together with interest thereon at the overnight Federal Funds Rate for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent.

(e) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in excess of such Lender' s Percentage of payments, such Lender shall forthwith purchase from the other Lender(s) such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of the other Lender(s); provided, however, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from the other Lender(s) shall be rescinded and each other Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery, together with an amount equal to such Lender' s ratable share (according to the proportion of (1) the amount of such Lender' s required repayment, to (2) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount recovered. Each Borrower agrees that any Lender purchasing a participation from another Lender pursuant to this Section 10.13(e), to the fullest extent permitted by law, may exercise all of its rights of payment with respect to such participation as fully as if such Lender were the direct creditor of the Borrowers in the amount of such participation.

10.14. **Benefit of Article.** The provisions of this Article 10 are solely for the benefit of the Agent and Lenders. No Borrower shall have any rights under any of the provisions of this Article 10; it being understood that the provisions of this Article 10 are not in limitation of any right, power, duty, obligation or liability which the Agent would have to or against any Borrower.

ARTICLE 11
CERTAIN ADDITIONAL RIGHTS AND OBLIGATIONS REGARDING THE COLLATERAL

11.1. **Power of Attorney.** Each Borrower hereby reaffirms its irrevocable appointment of the Agent, as its agent and attorney-in-fact, with power of substitution, having full power and authority, in its own name, in the name of any Lender(s), in the name of any Borrower or otherwise (but at the cost and expense of the Borrowers and without notice to any Borrower), but only after the occurrence of an Event of Default which remains uncured beyond any applicable notice and grace period, to (i) notify account debtors obligated on any of the Receivables to make payments thereon directly to the lockbox referenced in Section 11.2 of this Agreement, and to take control of the cash and non-cash proceeds of any such Receivables;

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(ii) compromise, extend or renew any of the Collateral constituting Receivables or deal with any of the Collateral as the Agent may deem advisable; (iii) release its interest in, make exchanges or substitutions for and/or surrender, all or any part of any Borrower' s interest in all or any part of the Collateral; (iv) remove from any Borrower' s place(s) of business all books, records, ledger sheets, correspondence, invoices and documents relating to or evidencing any of the Collateral, or without cost or expense to the Agent, make such use of any Borrower' s place(s) of business as may be reasonably necessary to administer, control and/or collect the Collateral; (v) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Account Debtor; (vi) demand, collect receipt for and give renewals, extensions, discharges and releases of all or any part of the Collateral; (vii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, all or any part of the Collateral; (viii) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to all or any part of the Collateral or any legal proceedings brought with respect thereto; and (ix) receive and open all mail addressed to any Borrower, and notify the Post Office authorities to change the address for the delivery of mail to any Borrower to such address as the Agent may designate; it being understood that the rights granted to the Agent in this clause (ix), shall not in any way limit or impair the other rights provided to the Agent and/or Lenders in this Agreement or any other Loan Document, including, without limitation, their rights with respect to the Collateral Accounts and the below-referenced lockbox. Furthermore, each Borrower hereby reaffirms its irrevocable appointment of the Agent, as its agent and attorney-in-fact, with power of substitution, having full power and authority, in its own name, in the name of any Lender(s), in the name of any Borrower or otherwise (but at the cost and expense of the Borrowers and without notice to any Borrower) and regardless of whether an Event of Default has occurred or any act, event or condition which with notice or the lapse of time, or both, would constitute an Event of Default has occurred, to (a) file financing statements and continuation statements covering the Collateral and execute the same on behalf of any Borrower; (b) charge against any banking account of any Borrower any item of payment credited to any Borrower' s account which is dishonored by the drawee or maker thereof; and/or (iii) endorse the name of any Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against any Account Debtor.

11.2. **Lockbox.** Each Borrower hereby authorizes the Agent to receive and collect any amount or amounts due or to become due on account of any Receivables and, at its discretion, to apply the same to the repayment of the Notes, and each Borrower agrees that, as of the date hereof, it has established and shall continually maintain on terms and conditions satisfactory to the Agent in all respects, one or more lockboxes (and, if required by the Agent, one or more blocked accounts) for the collection of Receivables. Except as otherwise may be approved by the Agent in writing, any checks or other remittances received by any Borrower in payment of the Receivables shall be held in trust by each Borrower for the Agent and Lenders. Each Borrower shall, within thirty (30) days from the date hereof (or within such longer period as may be reasonably required by any Borrower), direct all of its customers (other than certain customers as may be approved by the Agent) to make payments directly to the Agent, and/or include on all of its invoices, a direction to its customer to make all payments directly to the Agent, at:

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11.3. **Other Agreements.** Except as may otherwise be expressly permitted by the terms of this Agreement, and without limiting any other restrictions or provisions of this Agreement, each Borrower will (i) on demand, subject to any requirements imposed by any Government agency, make available in form reasonably acceptable to the Agent, shipping documents and delivery receipts evidencing the shipment of goods which gave rise to the sale or lease of inventory or of an account, contract right or chattel paper, completion certificates or other proof of the satisfactory performance of services which gave rise to the sale or lease of inventory or of an account, contract right or chattel paper, and each Borrower' s copy of any written contract or order from which a sale or lease of inventory, an account, contract right or chattel paper arose; and (ii) when requested, advise the Agent when an Account Debtor returns or refuses to retain any goods, the sale or lease of which gave rise to an account, contract right or chattel paper, and of any delay in delivery or performance, or claims made in regard to any sale or lease of inventory, account, contract right or chattel paper. Upon reasonable notice, all such records will be available for examination by authorized agents of the Agent.

It is expressly understood and agreed, however, that the Agent shall not be required or obligated in any manner to make any inquiries as to the nature or sufficiency of any payment received by it or to present or file any claims or take any other action to collect or enforce a payment of any amounts which may have been assigned to it or to which it or the Lenders may be entitled hereunder at any time or times.

ARTICLE 12
MISCELLANEOUS

12.1. **Remedies Cumulative.** Each right, power and remedy of the Agent or Lenders provided for in this Agreement or in any other Loan Document or now or hereafter existing at law or in equity, by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or in any other Loan Document, or now or hereafter existing at law or in equity, by statute or otherwise, and the exercise or beginning of the exercise by the Agent of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Agent of any or all such other rights, powers or remedies.

12.2. **Waiver.** Time is of the essence of this Agreement. No failure or delay by the Agent to insist upon the strict performance of any term, condition, covenant or agreement set forth in this Agreement or any other Loan Document, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of such term, condition, covenant or agreement or of any such breach, or preclude the Agent from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, neither the Lenders nor the Agent shall be deemed to have waived either the right to require prompt payment when due of all other Obligations, or the right to declare a default for failure to make payment of any such other Obligations.

12.3. **Notices.** Notices to any party shall be in writing and shall be delivered personally, by certified mail return receipt requested, by nationally-recognized overnight

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delivery service or by facsimile addressed to the parties at the addresses set forth below or otherwise designated in writing:

If to the Borrowers:	Opinion Research Corporation 600 College Road East, 4th Floor Princeton, NJ 08540 Attention: Mr. Kevin Croke Fax: (609) 419-1901
with a copy to	Wolf, Block, Schorr and Solis-Cohen LLP 1650 Arch Street, 22nd Floor Philadelphia, PA 19103 Attention: David Gitlin, Esq. Fax: (215) 977-2334
If to the Lenders:	Citizens Bank of Pennsylvania 8521 Leesburg Pike Suite 405 Vienna, Virginia 22182 Attention: Ms. Criss M. Kennedy Fax: (703) 610-6070 and First Horizon Bank 1650 Tysons Blvd., Suite 1150 McLean, Virginia 22102 Attention: Mr. Gill Waller Fax: (703) 734-1834
If to the Agent:	Citizens Bank 8521 Leesburg Pike Suite 405 Vienna, Virginia 22182 Attention: Ms. Criss M. Kennedy Fax: (703) 610-6070
with a copy of all notices to any Lender or the Agent to:	Dickstein Shapiro Morin & Oshinsky LLP 2101 L Street, N.W. Washington, D.C. 20037 Attention: Howard S. Jatlow, Esq. Fax: (202) 887-0689

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Any communication hereunder will be deemed given and effective (i) when actually received, in the case of hand delivery (ii) the next Business Day in the case of an overnight delivery service, (iii) three (3) Business Days after mailing in the case of certified mail return receipt requested, or (iv) when completely sent and received, as evidenced by a transmission report from sender's facsimile machine, in the case of facsimile transmission.

12.4. **Entire Agreement.** This Agreement and the other Loan Documents constitute the entire agreement of the parties with respect to the Loan and shall continue in full force and effect for so long as any Borrower shall be indebted hereunder or under any Note, and thereafter until the Agent shall have actually received written notice of the termination hereof from the Borrowers, all Letters of Credit shall have been cancelled or expired and all Obligations incurred or contracted before receipt of such notice shall have been fully paid.

12.5. **Relationship of the Parties.** This Agreement provides for the extension of financial accommodations by each Lender, in its capacity as lender, to the Borrowers, in their capacity as borrowers, and for the payment of interest and repayment of the Obligations by the Borrowers. Certain provisions herein, such as those relating to compliance with the financial covenants, delivery to the Agent and Lenders of financial statements, and compliance with other affirmative and negative covenants are for the benefit of the Agent and Lenders to protect the Lenders' interests in assuring repayment of the Obligations. Nothing contained in this Agreement shall be construed as permitting or obligating the Lenders or Agent to act as a financial or business advisor or consultant to any Borrower, as permitting or obligating the Lenders or Agent to control any Borrower or to conduct any Borrower's operations, as creating any fiduciary obligation on the part of any Lender or the Agent to any Borrower, or as creating any joint venture, agency or other relationship between the parties other than as explicitly and specifically stated in this Agreement. Each Borrower acknowledges that it has had the opportunity to obtain the advice of experienced counsel of its own choosing in connection with the negotiation and execution of this Agreement and to obtain the advice of such counsel with respect to all matters contained herein, including, without limitation, the provision in this Agreement for waiver of trial by jury. Each Borrower further acknowledges that it is experienced with respect to financial and credit matters and has made its own independent decision to request the Obligations and execute and deliver this Agreement.

12.6. **Waiver of Jury Trial**. Each Borrower hereby (a) covenants and agrees not to elect a trial by jury of any issue triable by a jury, and (b) waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist. This waiver of right to trial by jury is separately given by each Borrower, knowingly and voluntarily, and this waiver is intended to encompass individually each instance and each issue as to which the right to a jury trial would otherwise accrue. The Agent is hereby authorized and requested to submit this Agreement to any court having jurisdiction over the subject matter and the parties hereto, so as to serve as conclusive evidence of each Borrower's herein contained waiver of the right to jury trial. Further, each Borrower hereby certifies that no representative or agent of the Agent or any Lender (including the Agent's counsel) has represented, expressly or otherwise, to the undersigned that the Agent or Lenders will not seek to enforce this provision waiving the right to a trial by jury.

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12.7. **Submission to Jurisdiction; Service of Process; Venue.** Any judicial proceeding brought against any Borrower with respect to this Agreement or any other Loan Document may be brought in any court of competent jurisdiction in the State of Maryland, and by execution and delivery of this Agreement, each Borrower accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid court, and irrevocably agrees to be bound by any judgment rendered by such court in connection with this Agreement. Each Borrower irrevocably designates and appoints Macro International Inc., attention: Frank Quirk, whose address is 11785 Beltsville Drive, Calverton, MD 20705, as its agent to receive on its behalf service of all process in any such proceeding in any court in the State of Maryland, such service being hereby acknowledged by each Borrower to be effective and binding on it in every respect. A copy of any such process so served shall be mailed by registered or certified mail to the Borrower at the address to which notices are to be addressed in accordance with this Agreement, except that any failure to mail such copy shall not affect the validity of service of process. Each Borrower shall at all times maintain an agent for service of process pursuant to this provision. If any Borrower fails to appoint such an agent, or if such agent refuses to accept service, such Borrower hereby agrees that service upon it by mail shall constitute sufficient notice. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Agent or Lenders to bring proceedings against any Borrower in the courts of any other jurisdiction.

12.8. **Changes in Capital Requirements.** If, after the date hereof, any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Agent or any Lender, or person controlling the Agent or any Lender, and the Agent determines (in its sole but reasonable discretion) that the rate of return on its, any Lender' s or such controlling person' s capital as a consequence of its commitments or the loans made by the Agent or such Lender is reduced to a level below that which the Agent, such Lender or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Agent to the Borrowers, the Borrowers shall, within thirty (30) days of receipt of such notice, pay directly to the Agent, for its own account or for the account of such Lender (as the case may be), additional amounts sufficient to compensate the Agent, such Lender or such controlling person for such reduction in rate of return. A statement of the Agent as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Borrowers. In determining such amount, the Agent may use any method of averaging and attribution that it (in its sole but reasonable discretion) shall deem applicable.

12.9. **Captions.** The paragraph headings of this Agreement are for convenience of reference only, and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

12.10. **Modification and Waiver.** Neither this Agreement nor any term, condition, covenant or agreement hereof may be changed, waived, discharged or terminated orally, but that may be accomplished only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

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12.11. **Transferability.**

(a) No Borrower shall assign any of its rights, interests or Obligations under this Agreement.

(b) No Lender shall assign its interests under this Agreement to any person or entity, without the prior written consent of the Agent, and, so long as no Event of Default has occurred, the Parent Company; provided, however, that the Parent Company' s consent shall not be required for any sale, transfer or assignment resulting from an institutional merger or acquisition of or by a Lender. Subject to obtaining such consent, any Lender may assign its interest, in the ordinary course of its commercial banking business, at any time, provided that (a) the purchaser of any such interest is a commercial bank (a "Participating Lender") or Eligible Assignee, in either case whose total assets exceed Five Hundred Million and No/100 Dollars ($500,000,000.00); (b) at least thirty (30) days' prior written notice of such sale or assignment, which notice must identify the Participating Lender and/or Eligible Assignee, shall have been issued by such transferring Lender to the Agent and the Borrowers; (c) the dollar equivalent of the Percentage of the transferring Lender being assigned equals or exceeds Five Million and No/100 Dollars ($5,000,000.00); (d) the Agent shall have received a duly executed Assignment and Acceptance Agreement, in the form attached as ***Exhibit 8*** hereto; and (e) if the proposed assignee of the transferring Lender is not an affiliate of the transferring Lender, an assignment fee in the amount of Three Thousand Five Hundred and No/100 Dollars $3,500.00 shall have been paid to the Agent to reimburse the Agent for costs and expenses incurred in connection with the assignment. There shall be no restriction on any Lender selling participations in such Lender' s interests in the Loan**.**

12.12. **Governing Law; Binding Effect.** This Agreement shall be governed by the laws of the State of Maryland and be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12.13. **Gender; Number.** As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require.

12.14. **Joint and Several Liability.** Each Borrower shall be jointly and severally liable for the payment and performance of all obligations and liabilities hereunder.

12.15. **Materiality**. Unless the context clearly indicates to the contrary, determinations regarding the materiality of any act, event, condition or circumstance shall be in the reasonable judgment of the Agent.

12.16. **Reliance on the Agent**. Each Borrower shall be entitled to assume that any and all consents, approvals or notices issued or granted by the Agent pursuant to the terms and provisions of this Agreement were, to the extent necessary, authorized by the Required Lenders or all of the Lenders, as applicable.

12.17. **Taxes**. All payments by the Borrowers of principal of and interest on the Loans, and all other amounts payable hereunder, shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding franchise taxes and taxes imposed on or measured by the Agent' s and/or any

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Lender' s net income or receipts (such non-excluded items being called "Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrowers hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Borrowers will:

(a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such authority; and

(c) pay to the Agent, for its own account or for the account of such Lender (as the case may be), such additional amount or amounts as is necessary to ensure that the net amount actually received by the Agent, for its own account or for the account of such Lender (as the case may be), will equal the full amount the Agent or such Lender (as applicable) would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Agent or any Lender with respect to any payment received by the Agent or any Lender hereunder, the Agent or such Lender may pay such Taxes and the Borrowers will promptly pay such additional amount (including any penalties, interest or expenses) as is necessary in order that the net amount received by the Agent or such Lender (as the case may be) after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount the Agent or such Lender (as the case may be) would have received had not such Taxes been asserted.

If the Borrowers fail to pay any Taxes when due to the appropriate taxing authority or fail to remit to the Agent the required receipts or other required documentary evidence, the Borrowers shall indemnify the Agent and the Lenders for any incremental Taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure.

12.18. **The Patriot Act**. Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Agent, as applicable, to identify the Borrowers in accordance with the Patriot Act.

12.19. **Counterparts**. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same document.

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IN WITNESS WHEREOF, this Agreement has been signed, sealed and delivered as of the date and year first above written.

BORROWERS:

OPINION RESEARCH CORPORATION, a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **EVP - Corporate Finance**

ORC INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **President**

MACRO INTERNATIONAL INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Asst. Secretary**

ORC PROTEL, INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

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Name:

Kevin P. Croke

Title:

Secretary

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SOCIAL AND HEALTH SERVICES, LTD., a Maryland corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Secretary**

ORC HOLDINGS, LTD., an English company

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Authorized Signatory**

O.R.C. INTERNATIONAL LTD, an English company

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Authorized Signatory**

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LENDER(S):

CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered bank

By: /s/ CRISS M. KENNEDY

Name: **Criss M. Kennedy**

Title: **VP**

FIRST HORIZON BANK, a division of First Tennessee Bank National Association

By: /s/ GILL WALLER

Name: **Gill Waller**

Title: **SVP**

AGENT:

CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered bank

By: /s/ CRISS M. KENNEDY

Name: **Criss M. Kennedy**

Title: **VP**

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Exhibit 10.2

LOAN AGREEMENT

by and among

OPINION RESEARCH CORPORATION, ORC INC.,
MACRO INTERNATIONAL INC., ORC PROTEL, INC.,
SOCIAL AND HEALTH SERVICES, LTD., ORC HOLDINGS, LTD. AND
O.R.C. INTERNATIONAL LTD.

and

ALLIED CAPITAL CORPORATION

May 4, 2004

$10,000,000 Secured Subordinated Notes due November 4, 2007 of Opinion Research Corporation

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "*Agreement*") is made as of May 4, 2004 by and among: (i) Opinion Research Corporation, a Delaware corporation, ORC, Inc., a Delaware corporation, Macro International Inc., a Delaware corporation, ORC ProTel, Inc., a Delaware corporation, Social and Health Services, Ltd., a Maryland corporation, ORC Holdings, Ltd., an English company, O.R.C. International Ltd., an English company and each other Person hereafter joining this Agreement as a "Borrower" (individually, a "*Borrower*" and collectively, the "*Borrowers*"), (ii) Allied Capital Corporation, a Maryland corporation ("*Allied Capital*").

RECITALS:

A. The Borrowers have requested that Allied Capital invest in the Borrowers the aggregate sum of Ten Million Dollars ($10,000,000) in exchange for the Notes. Allied Capital is willing to make such investment in the Borrowers on the terms and conditions set forth herein.

B. The parties wish to set forth herein their understandings and agreements pertaining to this transaction.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allied Capital and its successors and assigns with respect to their interest in all or any part of any of the Notes (as hereinafter defined) (individually, a "*Holder*" and collectively, the "*Holders*"), the Borrowers hereby agree as follows:

ARTICLE I.
DEFINITIONS

SECTION 1.1 *Defined Terms.* As used in this Agreement, the following terms have the meanings specified below:

"*Act of Bankruptcy,*" when used in reference to any Person, means the occurrence of any of the following with respect to such Person: (a) such Person shall have made an assignment for the benefit of his or its creditors; (b) such Person shall have admitted in writing his or its inability to pay his or its debts as they become due; (c) such Person shall have filed a voluntary petition in bankruptcy; (d) such Person shall have been adjudicated bankrupt or insolvent; (e) such Person shall have filed any petition or answer seeking for himself or itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Applicable Law pertinent to such circumstances; (f) such Person shall have filed or shall file any answer admitting or not contesting the material allegations of a bankruptcy, insolvency or similar petition filed against such Person; (g) such Person shall have sought or consented to, or acquiesced in, the appointment of any trustee, receiver, or liquidator of such Person or of all or any substantial part of the properties of such Person; (h) 60 days shall have

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elapsed after the commencement of an action against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Applicable Law without such action having been dismissed or without all orders or proceedings thereunder affecting the operations or the business of such Person having been stayed, or if a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed; or (i) 60 days shall have expired after the appointment, without the consent or acquiescence of such Person of any trustee, receiver or liquidator of such Person or of all or any substantial part of the assets and properties of such Person without such appointment having been vacated.

"*Act of Dissolution,*" when used in reference to any Person (other than an individual), shall mean the occurrence of any action initiating, or any event that results in, the dissolution, liquidation, winding-up or termination of such Person.

"*Affiliate*" means, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, is related to, affiliated with, Controls or is Controlled by or is under common Control with the Person specified or any of its affiliates.

"*Applicable Law(s)*" when used in the singular, shall mean any applicable Federal, state, foreign or local law, ordinance, order, regulation, rule or requirement of any governmental or quasi-governmental agency, instrumentality, board, commission, bureau or other authority having jurisdiction, and, when used in the plural, shall mean all such applicable Federal, state, foreign and local laws, ordinances, orders, regulations, rules and requirements.

"*Approval*" has the meaning specified in Section 9.16(a).

"*Approved International Organization*" means any of the international multilateral organizations listed on Schedule A hereto, or any other international multilateral organization deemed acceptable by the Senior Lender from time to time, in its sole and absolute discretion.

"*Asset Coverage Ratio*" shall have the meaning specified in Section 6.12(b).

"*Asset Disposition*" means any sale, lease (other than operating leases entered into in the ordinary course of business), transfer or other disposition (or series of related sales, leases, transfers or dispositions) by a Person or any of its Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition") of any assets, including any shares of Capital Stock of a Subsidiary, but excluding: (i) dispositions by a Borrower to another Borrower in which the Holders continue to have a perfected second priority security interest in and to all such assets constituting Collateral (after giving effect to such disposition), subject to Permitted Liens and (ii) dispositions to non-Borrowers consummated in the ordinary course of the Borrowers' Business, provided that the fair market value of any and all such asset dispositions does not exceed $500,000, in the aggregate, in any 12 month period.

"*Audited Financials*" has the meaning specified in Section 4.6(a).

"*Borrower's Business*" means the business of primary research and consulting and telemarketing and related services and other businesses reasonably related to or compatible with such business.

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"*Business Day*" means any day other than a Saturday, Sunday or day on which banks in Washington, D.C. are authorized or required by Applicable Law to close.

"*Capital Stock*" of any Person means any and all shares, interests, participation or other equivalents (however designated) of capital stock of such Person (if such Person is a corporation), any and all equivalent ownership interests in such Person (if such Person is other than a corporation), any securities convertible into or exchangeable for any of the foregoing and any and all warrants, options or other rights to purchase any of the foregoing.

"*Carryover Year*" has the meaning specified in Section 6.12(d).

"*Cash Equivalents*" means: (a) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof having maturities of not more than 90 days from the date of acquisition; (b) time deposits, certificates of deposit and banker's acceptances of any domestic commercial bank having capital and surplus in excess of $200,000,000 having maturities of not more than 90 days from the date of acquisition; (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a) and entered into with any bank meeting the qualifications specified in clause (b) above; (d) commercial paper having, at the time of acquisition thereof, the highest credit rating obtainable from Standard & Poor's Ratings Services or Moody's Investors Service, Inc. and maturing within ninety days after the date of acquisition; and (e) money market funds which invest at least 90% of their assets continually in the types of securities or instruments described in clauses (a), (b), (c) and (d) above, in each case, which can be liquidated without financial penalty.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time.

"*Change of Control*" means one or more transactions resulting in: (a) a sale, assignment, lease or transfer of all or a material portion of the assets of the Parent Company and its Subsidiaries; (b) one or more Persons (other than the shareholders of the Parent Company that are existing as of the date hereof) either (i) owning in the aggregate in excess of 50% of the then outstanding Capital Stock of the Parent Company or (ii) being able to elect a majority of the board of directors of the Parent Company; or (c) each Credit Party shall cease to own 100% of the Capital Stock of its Subsidiaries, free and clear of all Liens, rights, options, warrants or other similar agreements or understandings other than Permitted Liens.

"*Charges*" has the meaning specified in Section 9.9.

"*Closing*" means the consummation of the Transaction.

"*Closing Date*" means the date of this Agreement.

"*Code*" means the Internal Revenue Code of 1986 and the regulations thereunder, as amended or otherwise modified from time to time.

"*Collateral*" means all of the collateral covered by the Security Documents.

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"*Contribution Agreement*" shall mean the Contribution Agreement of even date herewith, by and among the Borrowers, and delivered by the Borrowers prior to or simultaneously with their execution and delivery of this Agreement, together with all amendments and modifications thereof hereafter executed and delivered by the Borrowers and approved by the Holders.

"*Control*" means, without limitation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "*Controlling*" and "*Controlled*" have meanings correlative thereto.

"*Credit Parties*" means, collectively, the Borrowers and the Guarantors; and "*Credit Party*" means each of the Borrowers or the Guarantors.

"*Default*" means any event or condition that upon notice, lapse of time or both would constitute an Event of Default.

"*Default Interest*" shall have the meaning specified in Section 2.6.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (b) is convertible or exchangeable for Indebtedness or Disqualified Stock or (c) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the first anniversary of the stated maturity of the Notes.

"*Dollars*" *or* "$" means lawful money of the United States of America.

"*EBITDA*" means, as of the date of any determination, the Net Income of the Parent Company and its Subsidiaries, plus interest expense, plus taxes, plus depreciation expense, plus amortization expense, plus any non-cash, non-recurring charges against income approved in writing by the Holders minus any non-cash gain (to the extent included in determining Net Income) minus any dividends paid in accordance with Section 7.6(a) of this Agreement that have not been considered in determining Net Income, all as determined on a rolling four (4) quarter consolidated basis in accordance with GAAP. Additionally, any transaction costs incurred on or before the Closing Date for the closing of the Senior Credit Facility, the Junior Debt Facility and the transactions contemplated in the Loan Documents in an aggregate amount not to exceed $3,681,867 and any prepayment penalties or other costs related to refinancing the Borrowers' existing bank debt, as appears on Schedule 6.12(a) (without duplication), may be added back to Net Income in calculating EBITDA.

"*Environmental Claim*" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, any Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including, without limitation, (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

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"*Environmental Law*" means any Federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, the effect of the environment on human health and safety, or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"*Environmental Permit*" means any permit, approval, identification number, license or other authorization required under any Environmental Law to operate any Borrower' s Business.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"*ERISA Affiliate*" means any Person required at any relevant time to be aggregated with the Parent Company or any of its Subsidiaries under Sections 414(b), (c), (m) or (o) of the Code.

"*ERISA Event*" means any of the following with respect to a Plan or Multiemployer Plan, as applicable: (a) a Reportable Event with respect to a Plan or a Multiemployer Plan; (b) a complete or partial withdrawal by the Parent Company or any ERISA Affiliate from a Multiemployer Plan that results in liability under Section 4201 or 4204 of ERISA, or the receipt by the Parent Company or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA; (c) the distribution by the Parent Company or any ERISA Affiliate under Section 4041 or 4041A of ERISA of a notice of intent to terminate any Plan or the taking of any action to terminate any Plan; (d) the commencement of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Parent Company or any ERISA Affiliate of a notice from any Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; (e) the institution of a proceeding by any fiduciary of any Multiemployer Plan against the Parent Company or any ERISA Affiliate to enforce Section 515 of ERISA, which is not dismissed within 30 days; (f) the imposition upon the Parent Company or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, or the imposition or threatened imposition of any Lien upon any assets of the Parent Company or any ERISA Affiliate as a result of any alleged failure to comply with the Code or ERISA in respect of any Plan; (g) the engaging in or otherwise becoming liable for a nonexempt Prohibited Transaction by the Parent Company or any ERISA Affiliate; (h) a violation of the applicable requirements of Section 404 or 405 of ERISA or the exclusive benefit rule under Section 401(a) of the Code by any fiduciary of any Plan for which the Parent Company or any ERISA Affiliate may be directly or indirectly liable; or (i) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if the Parent Company or any ERISA Affiliate fails to timely provide security to such Plan in accordance with the provisions of such sections.

"*Events of Default*" has the meaning specified in Article VIII.

"*Financial Officer*" of any corporation or other entity means the chief financial officer, treasurer or chief executive officer of such corporation or entity.

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"*Financials*" means, collectively, the Audited Financials and the Interim Financials, as defined in Section 4.6.

"*Financing Statements*" means the UCC-1 financing statements dates as of the date hereof by the Credit Parties in favor of the Holders and evidencing the Holders' second lien on the assets of Borrowers.

"*Fixed Charges Ratio*" has the meaning specified in Section 6.12(a).

"*Foreign Subsidiary*" means a Subsidiary that is organized under the laws of a jurisdiction other than the United States or any State thereof or the District of Columbia.

"*GAAP*" means generally accepted accounting principles, consistently applied, for the period or periods in question.

"*Government*" means the United States government, any state government, any local government, any department, instrumentality or agency of the United States government, any state government or any local government, or any Approved International Organization.

"*Government Contract*" and "*Government Contracts*" means, individually or collectively, as the context may require, (i) written contracts between any Credit Party and the Government; and (ii) written subcontracts between any Credit Party and a Prime Contractor who is providing goods or services to the Government pursuant to a written contract with the Government (a "*Government Subcontract*"), provided that the subcontract relates only to goods or services being provided to the Government pursuant to a Government Subcontract.

"*Government Subcontract*" has the meaning set forth in the definition of "*Government Contract*".

"*Governmental Authority(ies)*" means any Federal, state, local, quasi-governmental instrumentality or foreign court, or governmental agency, authority, instrumentality, agency, bureau, commission, department or regulatory body.

"*Guarantee Obligation*" of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect: (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or advance or supply funds for the purchase of) any security for the payment of such Indebtedness; (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness; or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; *provided* that the term "Guarantee Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The word "Guarantee" when used as a verb shall have the correlative meaning.

"*Guarantor*" means each entity that becomes a Guarantor under the Guaranty Agreement.

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"*Guaranty Agreement*" means the Guaranty Agreement to be entered into in accordance with the terms of this Agreement in favor of the Holders, as amended, supplemented, or otherwise modified from time to time, all in form and substance satisfactory to the Holders.

"*Hazardous Materials*" means (a) hydrocarbon gases, propane, petroleum and petroleum products (including their by-products and breakdown products), radioactive materials, asbestos-containing materials, polychlorinated biphenyls, lead paint, mold or other microbial contamination and radon gas, and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"*Holder*" and "*Holders*" have the meaning *provided* above in the introduction to this Agreement.

"*Indebtedness*" means, without duplication: (a) all obligations of the Borrowers in respect of money borrowed; (b) all obligations of the Borrowers (other than trade debt incurred in the ordinary course of business that are not past due), whether or not for borrowed money, (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered; (c) capital lease obligations of the Borrowers; (d) all obligations of the Borrowers to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatorily redeemable stock issued by any Borrowers, valued at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (e) each Borrower' s pro rata share of the Indebtedness of any unconsolidated affiliate of such Borrower (including Indebtedness of any partnership or joint venture in which such Borrower is a general partner or joint venturer to the extent of such Borrower' s pro rata share of the ownership of such partnership or joint venture); (f) all obligations of any other person or entity which any Borrower has guaranteed or which are secured by any lien on property owned by any Borrower, and (g) reimbursement obligations in connection with letters of credit issued for the benefit of any Borrower.

"*Indemnitee*" has the meaning in Section 9.5(b).

"*Intellectual Property*" means, collectively, all of each Borrower' s and each of their respective Subsidiaries' now owned and hereafter acquired intellectual property, including, without limitation the following: (a) all patents (including all rights corresponding thereto throughout the world, and all improvements thereon); (b) all trademarks (including service marks, trade names and trade secrets, and all goodwill associated therewith); (c) all copyrights (including all renewals, extensions and continuations thereof); (d) all applications for patents, trademarks or copyrights and all applications otherwise relating in any way to the subject matter of such patents, copyrights and trademarks; (e) all patents, copyrights, trademarks or applications therefor arising after the date of this Agreement; (f) all domain names and licenses; (g) all reissues, continuations, continuations-in-part and divisions of the property described in the preceding clauses (a), (b), (c), (d), (e) and (f), including, without limitation, any claims by the Parent Company or its Subsidiaries against third parties for infringement thereof; and (h) all

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rights to sue for past, present and future infringements or violations of any such patents, trademarks, copyrights and licenses.

"*Intellectual Property Security Agreement*" means the Intellectual Property Security Agreement dated as of the date hereof, by and among the Borrowers or any other Credit Party and the Holders to secure the Obligations, in each case, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"*Interest*" means any ownership or profit sharing interest (however designated) in any general or limited partnership, trust, limited liability company, private company or joint venture, and all agreements, instruments and documents convertible, in whole or in part, into any one or more of the foregoing.

"*Interest Rate*" means a fixed rate of interest as set forth in, and payable in accordance with the terms of, the Notes.

"*Interim Financials*" has the meaning in Section 4.6.

"*Investments*" means, collectively, the ownership or purchase of any Capital Stock or evidence of Indebtedness, Interest in or other security of another Person or any loan, advance, contribution to capital, extension of credit (except for current trade and customer accounts receivable for assets sold or services rendered in the ordinary course of business and payable in accordance with customary trade terms) to another Person (including any joint venture) or any commitment or option to acquire any of the foregoing.

"*Junior Debt Documents*" means the Junior Debt Facility and all notes, debentures, collateral and security documents, guarantees, and other documents delivered at any time in connection with the Junior Debt Facility, all as amended, supplemented, restated or otherwise modified, extended, renewed, refunded, refinanced, restructured or replaced from time to time in accordance with its respective terms, and including, without limitation, any agreement or agreements adding or deleting borrowers or guarantors thereunder.

"*Junior Debt Facility*" means the Loan Agreement dated as of the date hereof by and among the Credit Parties and the Junior Investors, as the same may be amended, supplemented or otherwise modified from time to time and any agreement refinancing all of any of the debt or commitments thereunder.

"*Junior Investors*" means collectively, the investors who are or become parties to the Junior Debt Facility and are deemed "Holders" thereunder.

"*Leases*" has the meaning specified in Section 4.11(b).

"*Leverage Ratio*" shall have the meaning specified in Section 6.12(c).

"*Licenses*" shall mean, collectively, all rights, licenses, permits and authorizations now or hereafter issued by any Governmental Authority reasonably necessary in connection with the operation or conduct of each Borrower' s Business.

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"*Lien*" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"*Lien Subordination Agreement*" means the Lien Subordination Agreement, dated as of the date hereof, by and among the Credit Parties, the Holders and the Senior Credit Agent on behalf of the Senior Lenders, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"*Litigation Schedule*" has the meaning specified in Section 4.11(a).

"*Loan Documents*" means, collectively, this Agreement, the Notes, the Lien Subordination Agreement, the Subordination Agreement, the Guaranty Agreement, if any, the Contribution Agreement, the Warrant Amendments, the Security Documents and all other instruments and documents executed and delivered in connection therewith.

"*Material Adverse Effect*" means a material adverse change in or material adverse effect on: (a) the business, property, profits or condition, financial or otherwise, of any Credit Party; (b) the ability of any Credit Party to perform any of its obligations under any Loan Document; (c) the validity or enforceability of any Loan Document or the rights and remedies of or benefits available to the Holders under any Loan Document; or (d) the consummation of any transactions contemplated hereby or thereby.

"*Material Contract*" means any and all contracts or agreements to which a Credit Party is a party and pursuant to which a Credit Party is or may be (a) entitled to receive payments in excess of $1,000,000, in the aggregate, per annum or (b) obligated to make payments or have any other obligations or liability thereunder (direct or contingent) in excess of $500,000, in the aggregate, per annum.

"*Maturity Date*" means November 4, 2007.

"*Maximum Rate*" has the meaning specified in Section 9.9.

"*Multiemployer Plan*" shall mean any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which the Parent Company or any ERISA Affiliate makes, is making or is obligated to make contributions or has made or been obligated to make contributions.

"*Net Income*" means, for any period, the sum of consolidated gross revenues of the Parent Company and its Subsidiaries for such period, minus all consolidated operating and non-operating expenses (including taxes) of the Parent Company and its Subsidiaries for such period, all as determined in accordance with GAAP without duplication, excluding, however, (a) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with (i) any Asset Disposition (including, without limitation, dispositions pursuant to sale and leaseback transactions) or (ii) the disposition of any securities by the Parent Company or any of its Subsidiaries or the extinguishment of any Indebtedness of the Parent Company or any of its Subsidiaries and (b) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

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“*New Lending Office*” has the meaning specified in Section 2.9(e).

“*Non-Borrower Subsidiaries*” means, collectively, ORC Korea, Ltd., ORC Teleservices, Opinion Research Corporation, S.A. de C.V., ORC International Holdings, Ltd. and ORC Telecommunications Ltd.

“*Non-U.S. Lender*” has the meaning specified in Section 2.9(e).

“*Notes*” means the senior secured subordinated notes dated as of the date hereof in the aggregate principal amount of $10,000,000 from the Borrowers made payable severally to the Holders and evidencing the Borrowers’ repayment obligation for the loan by the Holders to the Borrowers described in Section 2.1, together with all other notes accepted from time to time in substitution, renewal or replacement for all or any part thereof including pursuant to Section 9.19.

“*Obligations*” means all indebtedness, advances pursuant to this Agreement or otherwise, debts, liabilities and obligations, for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by the Credit Parties to the Holders, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, in each case arising under this Agreement or any of the other Loan Documents. The term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding in bankruptcy after the insolvency of, or for the reorganization of any Credit Parties, whether or not allowed in such proceeding), any premiums, penalties or charges imposed in connection with the prepayment of the Notes, fees, charges, expenses, attorneys’ fees, and any other sum chargeable to the Credit Parties under this Agreement or any other Loan Document; provided, however, that no obligations arising under the Junior Debt Documents shall be considered as Obligations hereunder.

“*Other Taxes*” has the meaning specified in Section 2.9(b).

“*Parent Company*” means Opinion Research Corporation, a Delaware corporation and its successors and assigns.

“*Permitted Indebtedness*” has the meaning specified in Section 7.1.

“*Permitted Lien*” has the meaning specified in Section 7.2.

“*Person*” means any natural person, corporation, business trust, limited liability company, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

“*Plan*” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 307 of ERISA, and in respect of which the Parent Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

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"*Prime Contractor*" means any person or entity (other than a Credit Party) which is a party to a Government Subcontract.

"*Prohibited Transaction*" means a prohibited transaction as defined in Section 406 of ERISA or Section 4975 of the Code.

"*Property*" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"*Real Property*" means, collectively, all real property owned by any Credit Party or its Subsidiaries or in which any Credit Party or its Subsidiaries has a leasehold interest and all real property hereafter acquired by any Credit Party or its Subsidiaries in fee or by means of a leasehold interest, including all real property on which each Borrower' s Business is now or hereafter conducted, together with all goods located on any such real property that are or may become "fixtures" under the law of the jurisdiction in which such real property is located.

"*Release*" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the environment.

"*Remedial Action*" means (a) "remedial action" as such term is defined in CERCLA, 42 U.S.C. Section 9601(24), and (b) all other actions required by any Governmental Authority or voluntarily undertaken to: (i) cleanup, remove, treat, abate or in any other way address any Hazardous Material in the environment; (ii) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not migrate or endanger or threaten to endanger public health, welfare or the environment; or (iii) perform studies and investigations in connection with, or as a precondition to, (i) or (ii) above.

"*Reportable Event*" means: (a) any "reportable event" within the meaning of Section 4043(c) of ERISA for which the 30-day notice under Section 4043(a) of ERISA has not been waived by the PBGC (including any failure to meet the minimum funding standard of, or timely make any required installment under, Section 412 of the Code or Section 302 of ERISA, regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); (b) any such "reportable event" subject to advance notice to the PBGC under Section 4043(b)(3) of ERISA; (c) any application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code; and (d) a cessation of operations described in Section 4062(e) of ERISA.

"*Responsible Officer*" of any corporation means its president, any executive officer or a Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Security Agreement*" means the security agreement dated as of the date hereof by and among the Credit Parties and Allied Capital granting a lien on the Property of the Credit Parties.

"*Security Documents*" means, collectively, the Security Agreement, the Stock Pledge Agreement, the Intellectual Property Security Agreement, the UK Debentures, the UK Deeds of

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Priority, the landlord waivers, the landlord access letters, the assignment of contracts and consent to assignment, the trademark security agreement, the UCC-1 financing statements, and any other security agreement, pledge agreement, deed of trust, mortgage, notice to or acknowledgement of a registrar or depositary institution, control agreement or other collateral security agreement executed and delivered by the Borrowers, the Subsidiary Guarantors or any other Credit Party (and executed by any third party whose signature is necessary) to secure the Obligations, in each case as the same may be amended, supplemented or otherwise modified from time to time, and all other instruments and documents executed and delivered in connection therewith.

"*Senior Credit Agent*" means Citizens Bank of Pennsylvania, as agent for the Senior Lenders under the Senior Credit Facility and any other agent or administrative agent or other person performing similar administrative functions including all successors and assigns of any such agent.

"*Senior Credit Facility*" means the Business Loan and Security Agreement dated as of the date hereof, by and among the Credit Parties, the Senior Credit Agent and the Senior Lenders and the lender parties thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time and any agreement refinancing all or any of the debt or commitments thereunder, but only in each case to the extent the Indebtedness thereunder continues to constitute Senior Debt as provided in the definition thereof.

"*Senior Debt*" means all of the following: (a) the aggregate principal indebtedness advanced from time to time under the Senior Credit Facility up to a maximum aggregate principal indebtedness that shall not exceed $35,000,000 as reduced from time to time by all payments and prepayments of principal outstanding thereunder to the extent that amounts so paid cannot be reborrowed plus $5,000,000; (b) all interest accrued and accruing on the aggregate principal outstanding under the Senior Credit Facility from time to time; (c) all other reasonable fees or monetary obligations owed under the Senior Credit Facility; and (d) all reasonable costs incurred by the Senior Lenders under the Senior Credit Facility in commencing or pursuing any enforcement action(s) with respect to the amounts described in clauses (a) through (c), including attorneys' fees and disbursements. "Senior Debt" shall also include all amendments, modifications and refinancings of the foregoing, provided such amendments, modifications or refinancings do not (i) change the basis on which the interest rate is determined unless expressly set forth in the Senior Credit Facility as in effect on the date hereof or increase the maximum interest rate margin payable on any component thereof by more than 3% over the interest rate margin applicable thereto on the date hereof, (ii) change the maturity date of any component thereof to an earlier date (iii) extend the final maturity of the Senior Debt by more than two years or (iv) include additional financial covenants or events of default or amend any of the financial covenants or events of default set forth in the Senior Credit Facility to render them more restrictive; provided that, after the third anniversary of the date hereof, such Senior Credit Facility may be amended to include (A) the financial covenants set forth in Section 6.12 hereof at levels which are no more restrictive than the covenants set forth in Section 6.12 hereof, except that if the financial covenants in such amended Senior Credit Facility will be within 11% of the corresponding financial covenants contained in Section 6.12 of the Junior Debt Facility, then the Senior Credit Facility may amended to include the financial covenants contained in Section 6.12 hereof at levels which are no more than 11% more restrictive than the covenants set forth in Section 6.12 of the Junior Debt Facility, provided that concurrently therewith this Agreement shall be amended to include the same financial covenants as contained in such amended Senior

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Credit Facility, and (B) events of default that are not materially more restrictive than the events of default set forth in the Senior Credit Facility as in effect on the date hereof.

"*Senior Lenders*" means the lenders providing the Senior Debt under the Senior Credit Facility.

"*Solvent*" means, as used to describe any Credit Party, that such Credit Party (a) owns assets (including, without limitation, the Credit Party' s rights under the Contribution Agreement) whose fair saleable value is greater than the amount required to pay all of such Person' s Indebtedness (including contingent debts), (b) is able to pay all of its Indebtedness as such Indebtedness matures and (c) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage.

"*Stock Pledge Agreement*" means the stock pledge agreement dated as of the date hereof, executed by the Borrowers or any other Credit Party (and executed by any third party whose signature is necessary) to secure the Obligations, in each case as the same may be amended, supplemented or otherwise modified from time to time, and all other instruments and documents executed and delivered in connection therewith.

"*Subordination Agreement*" means the Subordination Agreement, dated as of the date hereof, by and among the Credit Parties, the Holders and the Junior Investors, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"*Subsidiary*" means, with respect to any Person, any corporation, partnership, association or other business entity: (a) of which securities or other ownership interests representing more than 50% of the equity having ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held; or (b) that is, at the time any determination is made, otherwise Controlled, by such Person.

"*Taxes*" has the meaning specified in Section 2.9(a).

"*Transaction*" has the meaning specified in Section 4.2.

"*Total Debt*" means the actual amount of borrowed money (including, without limitation, any Senior Debt, subordinated debt, capital leases and synthetic leases that remain unpaid or outstanding on the "as of" date of any determination), plus the aggregate amount of any and all financial guarantees and the face amount of any and all outstanding letters of credit (except that outstanding loans under the Senior Debt will be the thirty (30) day average balance of the Senior Debt for the 30 day period immediately preceding the "as of" date of the calculation).

"*Transfer*" means the sale, assignment, lease, transfer, mortgaging, encumbering or other disposition, whether voluntary or involuntary, and whether or not consideration is received therefor.

"*UK Borrowers*" means ORC Holdings, Ltd., an English company, and O.R.C. International Ltd., an English company.

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“*UK Debentures*” means those certain Debentures each dated as of the date hereof, issued by each of the UK Borrowers to the Holders, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with their respective terms.

“*UK Deeds of Priority*” means those certain Deeds of Priority, each dated as of the date hereof, issued by each of the UK Borrowers to the Holders, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with their respective terms.

“*Warrant Amendment*” shall mean (i) that certain Amendment to Common Stock Purchase Warrant No. A-1 and (ii) that certain Amendment to Common Stock Purchase Warrant A-2, each dated as of the date hereof, amending those certain warrants dated as of May 26, 1999 to purchase an aggregate of 437,028 shares of Common Stock of the Parent Company.

“*Wholly-Owned Subsidiary*” of any Person means a Subsidiary of such Person of which securities (except for directors' qualifying shares) or other ownership interests representing 100% of the equity or 100% of the ordinary voting power or 100% of the general partnership interests are, at the time any determination is being made, owned, controlled or held by such Person or one or more wholly-owned subsidiaries of such Person or by such Person and one or more wholly-owned subsidiaries of such Person.

“*Withdrawal Liability*” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

SECTION 1.2 *Terms Generally*. The definitions in Section 1.1 apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” are deemed to be followed by the phrase “without limitation.” All references herein to Articles, Sections, Exhibits and Schedules are deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document means such document as amended, restated, supplemented or otherwise modified from time to time and (b) all terms of an accounting or financial nature are construed in accordance with GAAP, as in effect from time to time; provided that, if any change in GAAP results in a change in the calculation of the financial covenants or interpretation of the related provisions of this Agreement or any other Loan Document, then the Credit Parties and the Holders of at least a majority of the aggregate outstanding principal amount of the Notes agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating the Credit Parties' financial condition shall be the same after such change in GAAP as if such change had not been made.

ARTICLE II.
THE INVESTMENT

SECTION 2.1 *Funding.* At the Closing, the Borrowers will borrow, and Allied Capital will lend to the Borrowers, the aggregate sum of $10,000,000. All such indebtedness shall be

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evidenced by, and is to be repaid according to the terms of, one or more Notes. The entire principal sum will be advanced at Closing.

SECTION 2.2 *Senior Debt.* The Holders' rights under the Notes and this Agreement are subordinate as to right of payment only to the Senior Debt pursuant to the Lien Subordination Agreement.

SECTION 2.3 *Repayment of Notes.*

(a) Payment of the outstanding principal balance under the Notes (in addition to the interest payments) shall be made in cash quarterly in arrears in the amount of $500,000 on each July 1, October 1, January 1 and April 1, commencing July 1, 2004.

(b) All unpaid principal amounts and accrued and unpaid interest under the Notes, and all other Obligations of the Borrowers to the Holders due and owing hereunder shall be paid upon the earliest of (i) the date of acceleration of the Notes pursuant to Article VIII, (ii) the date of redemption pursuant to Section 2.6 or 2.7 and (iii) the Maturity Date, in immediately available Dollars, without set-off, defense or counterclaim.

SECTION 2.4 *Interest on the Notes.* Subject to the provisions of Section 2.5, the Notes shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at the Interest Rate, payable in accordance with the Notes.

SECTION 2.5 *Default Interest.* If any Event of Default exists, whether or not such default is declared, the Borrowers shall pay interest ("*Default Interest*"), to the extent permitted by Applicable Law, on amounts due under the Notes so long as such Event of Default is continuing (after as well as before judgment) at the Interest Rate plus 2%.

SECTION 2.6 *Prepayment.* The Borrowers may at any time and from time to time prepay the Notes, in whole or in part, upon at least five days but no more than 60 days prior written or facsimile notice (or telephone notice promptly confirmed by written or facsimile notice) to the Holders before 1:00 p.m., Washington, D.C. time, subject to any restriction set forth in the Lien Subordination Agreement. Any partial prepayments shall be made in increments of $500,000 and shall be applied *pro rata* to amounts outstanding under the Notes. On the date of prepayment, the Borrowers shall pay to the holders of the Notes being prepaid pursuant to this Section, the price specified above, by wire transfer of immediately available funds to an account designated by such Holder. Concurrently therewith, each Holder of Notes being prepaid in full shall deliver to the Borrowers the original copy of its Note or an affidavit of loss thereof in a form that is reasonably satisfactory to the Borrowers. Any offer made by the Borrowers pursuant to this Section 2.6 shall be irrevocable so long as the specified conditions are met.

SECTION 2.7 *Mandatory Prepayment of the Notes.*

(a) The Borrowers' obligations under the Notes and this Agreement are not assumable.

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(b) Upon a Change of Control, each Holder shall have the right (but not the obligation) to require the Borrowers to: (i) prepay all or any portion of the Notes held by such Holder for an amount equal to the then outstanding principal balance and all accrued but unpaid interest thereon, and (ii) pay in full all or the applicable portion of the other Obligations owing to such Holder, which amount shall be calculated on the date of prepayment and be payable in cash on such date.

(c) On the date of prepayment, the Borrowers shall pay to the Holders of the Notes being prepaid pursuant to this Section, the price specified above, by wire transfer of immediately available funds to an account designated by such Holder. Concurrently therewith, each Holder of Notes being prepaid shall deliver to the Borrowers the original copy of its Note or an affidavit of loss thereof in a form that is reasonably satisfactory to the Borrowers.

SECTION 2.8 *Payments.*

(a) The Borrowers shall make each payment (including principal of or interest on the Notes or other amounts) hereunder and under any other Loan Document not later than 1:00 P.M., Washington, D.C. time, on the date when due in immediately available Dollars, without setoff, defense or counterclaim. Each such payment shall be made to each Holder pursuant to the wire transfer instructions set forth on Annex I hereto, or pursuant to such other written instructions from such Holder to the Borrowers.

(b) Whenever any payment (including principal of or interest on the Notes or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest.

SECTION 2.9 *Taxes*.

(a) Any and all payments by or on behalf of any Borrower hereunder and under any Loan Document shall be made, in accordance with Section 2.8, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding* (i) income taxes imposed on the net income or receipts of a Holder *and* (ii) franchise taxes imposed on the net income of a Holder, in each case by the jurisdiction under the laws of which such Holder is organized or qualified to do business or a jurisdiction or any political subdivision thereof in which the Holder engages in business activity other than activity arising solely from the Holder having executed this Agreement and having enjoyed its rights and performed its obligations under this Agreement or any Loan Document or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, being called "*Taxes*"). In the event that any withholding or deduction from any payment to be made by the Borrowers hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrowers will: (A) pay directly to the relevant Governmental Authority the full amount required to be withheld or deducted; (B) promptly forward to the Holders an official receipt or other documentation satisfactory to the Holders evidencing such payment to such authority; and (C) pay to the Holders such additional amount or amounts as is necessary to ensure that the net amount actually received by the Holders will equal the full amount the Holders would have

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received had no such withholding or deduction been required. Moreover, if any Taxes are directly asserted against a Holder with respect to any payment received by such Holder hereunder, such Holder may pay such Taxes and the Borrowers will promptly pay such additional amount (including any penalties, interest or expenses) as is necessary in order that the net amount received by such Holder after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such holder would have received had such Taxes not been asserted.

(b) In addition, each Borrower will pay to the relevant Governmental Authority in accordance with Applicable Law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under any Loan Document, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any Loan Document ("*Other Taxes*").

(c) Subject to Section 2.9(f) below, each Borrower agrees to indemnify each Holder for the full amount of Taxes and Other Taxes paid by such Holder and any liability (including penalties, interest and expenses (including reasonable attorney' s fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability prepared by such Holder absent manifest error, shall be final conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date such Holder makes written demand therefor. Each Borrower shall have the right to receive that portion of any refund of any Taxes and Other Taxes received by a Holder for which the Borrowers has previously paid any additional amount or indemnified such Holder and which leaves the Holder, after the Borrowers' receipt thereof, in no better or worse financial position than if no such Taxes or Other Taxes had been imposed or additional amounts or indemnification paid to the Holder. The Holder shall have sole discretion as to whether (and shall in no event be obligated) to make any such claim for any refund of any Taxes or Other Taxes.

(d) As soon as practicable (and in any event within 60 days) after the date of any payment of Taxes or Other Taxes by any Borrower to the relevant Governmental Authority, the Borrowers will deliver to each Holder, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(e) Any transferee of the Holders, with respect to the investment, if organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "*Non-U.S. Lender*") shall deliver, to the extent legally able to do so, to each Borrower two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI or other applicable form, or, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10% shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of any Borrower and is not a controlled foreign corporation receiving interest from a related person (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming exemption from U.S. Federal withholding tax on payments by the Borrowers under this Agreement and the Loan Documents. Such forms shall be delivered by each Non-U.S. Lender

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on or before the date it becomes a party to this Agreement and on or before the date, if any, such Non-U.S. Lender changes its applicable lending office by designating a different lending office (a "*New Lending Office*"). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Notwithstanding the foregoing, no Non-U.S. Lender shall be required to deliver any form pursuant to this paragraph (e) that such Non-U.S. Lender is not legally able to deliver.

(f) No Borrower shall be required to indemnify any Non-U.S. Lender or to pay any additional amounts to any Non-U.S. Lender, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Lender became a party to this Agreement or, with respect to payments to a New Lending Office, the date such Non-U.S. Lender designated such New Lending Office with respect to the Notes; *provided, however,* that this paragraph (f) shall not apply to (x) any Non-U.S. Lender as a result of an assignment, participation, transfer or designation made at the request of any Borrower and (y) to the extent the indemnity payment or additional amounts any Holder would be entitled to receive (without regard to this paragraph (f)) do not exceed the indemnity payment or additional amounts that the Person making the assignment, participation or transfer to such Holder would have been entitled to receive in the absence of such assignment, participation, transfer or designation, or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Lender to comply with the provisions of paragraph (e) above or (iii) such Non-U.S. Lender is treated as a "conduit entity" within the meaning of U.S. Treasury Regulations Section 1.881-3 or any successor provision.

(g) Nothing contained in this Section 2.9 shall require a Holder to make available any of its tax returns (or any other information that it reasonably deems to be confidential or proprietary).

SECTION 2.10 *Use of Proceeds.* The Borrowers shall use the proceeds of the loan by Allied Capital for the following purposes: (a) to pay certain transaction expenses and for working capital or general corporate purposes of the Borrowers and (b) to refinance certain existing Indebtedness of the Borrowers.

SECTION 2.11 *Appointment of the Parent Company*. Each Borrower acknowledges that (i) Allied Capital has agreed to extend credit to each of the Borrowers on an integrated basis for the purposes herein set forth; (ii) it is receiving direct and/or indirect benefits from each such extension of credit; and (iii) the obligations of the "Borrower" or "Borrowers" under this Agreement are the joint and several obligations of each Borrower. To facilitate the administration of the loan hereunder, each Borrower hereby irrevocably appoints the Parent Company as its true and lawful agent and attorney-in-fact with full power and authority to execute, deliver and acknowledge on such Borrower' s behalf, all Loan Documents or other materials provided or to be provided to any Holder pursuant to this Agreement or in connection with the Loan Document. This power-of-attorney is coupled with an interest and cannot be revoked, modified or amended without the prior written consent of the Holders. Upon request of the Holders, each Borrower shall execute, acknowledge and deliver to the Holders a form Power of Attorney confirming and restating the power-of-attorney granted herein.

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ARTICLE III.
CONDITIONS

SECTION 3.1 *Conditions to Closing*. The obligations of Allied Capital to enter into this Agreement and to perform its obligations hereunder is subject to the satisfaction of the following conditions on or prior to the Closing Date:

(a) The representations and warranties set forth in Article IV hereof shall be true and correct on and as of the Closing Date.

(b) The Credit Parties shall be in compliance with all the terms and provisions set forth herein and in each other Loan Document on their part to be observed or performed, and at the time of and immediately after the Transaction, no Event of Default or Default shall have occurred and be continuing.

(c) Allied Capital shall have completed a due diligence investigation to their satisfaction.

(d) Allied Capital shall have received the following items:

(i) a favorable written opinion of counsel to the Credit Parties (A) dated the Closing Date, (B) addressed to Allied Capital and (C) covering such matters relating to the Loan Documents and the Transaction as Allied Capital shall reasonably request, and the Credit Parties hereby request such counsel to deliver such opinion;

(ii) the Notes, duly executed by the Borrowers and each of the other Loan Documents, executed by each of the parties thereto (other than Allied Capital);

(iii) for each Credit Party: (A) a copy of the certificate or articles of incorporation or similar organizational documents, including all amendments thereto, of such Credit Party, certified as of a recent date by the Secretary of State or other appropriate agency of the jurisdiction of its organization, and a certificate as to the good standing of such Credit Party as of a recent date, from such Secretary of State or other appropriate agency; (B) a certificate of the Secretary or Assistant Secretary of such Credit Party dated the Closing Date and certifying (1) that attached thereto is a true and complete copy of the by-laws or similar operational documents or agreements of such Credit Party as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (2) below, (2) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Credit Party authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (3) that the certificate or articles of incorporation or similar organizational documents of such Credit Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (A) above, and (4) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Credit Party; and (C) a certificate of

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another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary of such Credit Party executing the certificate pursuant to (B) above;

(iv) all amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrowers hereunder or under any other Loan Document;

(v) the Audited Financials and Interim Financials, as described in Section 4.6; and

(vi) insurance certificates evidencing compliance with Section 6.2.

(e) The Credit Parties shall have entered into the transaction documents with respect to the Senior Credit Facility and Allied Capital shall be provided a copy of the documentation relating thereto;

(f) After giving effect to the transactions contemplated hereby, the Credit Parties and their Subsidiaries shall not have outstanding any Indebtedness other than (i) the Senior Debt in outstanding principal amount of not greater than $25,000,000, (ii) the Junior Debt in outstanding principal amount of $12,000,000, (iii) the extension of credit under this Agreement and (iv) the Indebtedness listed on Schedule 4.7.

(g) No event that has or reasonably would be expected to have a Material Adverse Change shall have occurred since December 31, 2003.

(h) Allied Capital shall have received all necessary corporate approvals of the Transaction, and all regulatory requirements applicable to Allied Capital shall have been satisfied.

(i) Allied Capital shall be reasonably satisfied that, upon the filing of the Financing Statements with the appropriate Governmental Authorities, will hold a perfected Lien in the Collateral described respectively therein, subject only to Permitted Liens.

(j) Allied Capital shall have received from the Parent Company, in a form satisfactory to Allied Capital, the Warrant Amendments.

(k) Allied Capital shall have received such other documents, instruments and information as Allied Capital may reasonably request.

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ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

In order to induce Allied Capital to enter into the Transaction, the Credit Parties jointly and severally represent and warrant to Allied Capital on the Closing Date (which representations and warranties shall survive the execution and delivery of this Agreement) that, except as set forth on the disclosure schedules attached hereto, after giving effect to the Acquisition:

SECTION 4.1 *Organization; Powers.* Each Credit Party: (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted; (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect; and (d) has the corporate power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party and each other agreement or instrument contemplated hereby, and to borrow hereunder, as applicable.

SECTION 4.2 *Authorization.* The execution, delivery and performance by each Credit Party of each of the Loan Documents to which such Credit Party is or is to become a party and the obligations hereunder and thereunder (collectively, the "*Transaction*") and the execution, delivery and performance of the Acquisition Documents to which such Credit Party is a party and the consummation of the transactions contemplated thereunder (a) have been duly authorized by all necessary corporate action on the part of such Credit Party and (b) will not: (i) violate (A) (x) any Applicable Law, or (y) the certificate or articles of incorporation or other constitutive documents or by-laws of such Credit Party, or (B) any provision of any Material Contract to which such Credit Party is a party or by which such Person or any of such Person's Property is or may be bound (including, without limitation, the Senior Credit Facility and the Junior Debt Facility); (ii) result in a breach of or constitute (alone or with notice or lapse of time or both) a default under or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such Material Contract; or (iii) result in the creation or imposition of any Lien (other than a Permitted Lien) upon or with respect to any Property now owned or hereafter acquired by such Credit Party.

SECTION 4.3 *Enforceability.* This Agreement has been duly executed and delivered by the Credit Parties and constitutes, and each other Loan Document when executed and delivered by each Credit Party will constitute, a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law and the availability of the remedy of specific performance.

SECTION 4.4 *Governmental Approvals.* Except as specifically disclosed on Schedule 4.4, each Credit Party has all material governmental authorizations, approvals, consents, permits, licenses, certifications and qualifications, and has complied in all material respects with all applicable requirements of the United States, and other jurisdictions where such Person conducts business or owns property, to conduct its business as is presently conducted and to own and operate its facilities as they are presently operated. No action, consent or approval or registration or filing with or any other action by any Governmental Authority is required in connection with the Transaction, except for such as have been made or obtained and are in full force and effect or which are listed on Schedule 4.4.

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SECTION 4.5 *Borrowers' Business; Subsidiaries.* Each Credit Party is as of the Closing exclusively engaged in the operation of each Borrower's Business. Schedule 4.5 sets forth as of the Closing Date a list of all Subsidiaries of each Credit Party and the percentage ownership interest of such Credit Party therein, as well as a list of all joint ventures and partnerships of each Credit Party with any other Person. The shares of Capital Stock or other ownership interests so indicated on Schedule 4.5 are fully paid and non-assessable and are owned by the Credit Parties free and clear of all Liens.

SECTION 4.6 *Financial Condition.*

(a) The Parent Company has previously provided to Allied Capital a true and complete copy of the audited consolidated and supporting consolidating balance sheet of the Parent Company and its Subsidiaries as at December 31, 2001, December 31, 2002 and December 31, 2003, and the related consolidated and supporting consolidating statements of income and cash flow of the Parent Company and its Subsidiaries for the fiscal years then ended (such consolidated statements referred to herein as the "*Audited Financials*"). The Audited Financials were prepared in accordance with GAAP, are true and correct in all material respects and fairly present the Parent Company's and its Subsidiaries' operations and their cash flows at such date and for the period then ended. The auditors have issued an unqualified statement to the Borrowers concerning the Audited Financials, a copy of which is included with the Audited Financials.

(b) The Parent Company has previously provided to Allied Capital a true and complete copy of the preliminary unaudited consolidated and consolidating balance sheet of the Parent Company and its Subsidiaries as at February 29, 2004 and the related preliminary unaudited consolidated and consolidating statements of income and cash flow of the Parent Company and its Subsidiaries for the 2 month period then ended (the "*Interim Financials*"). The Interim Financials were prepared in accordance with GAAP (except that footnotes are omitted), are true and correct in all material respects and fairly present the Parent Company's and its Subsidiaries' operations and their cash flows at such date and for the period then ended, subject to normal and immaterial year-end adjustments.

(c) The Parent Company has previously provided Allied Capital with projected consolidated balance sheets of the Parent Company and its Subsidiaries as of the end of each of fiscal years 2004 through 2006, giving effect to the incurrence of the full amount of Indebtedness contemplated under this Agreement and the use of the proceeds thereof, and the related consolidated statements of projected cash flow and projected income for such fiscal year (the "*Projected Statements*"). The Projected Statements are based on estimates, information and assumptions believed by the Credit Parties to be reasonable and the Credit Parties have no reason to believe, in the light of conditions existing at the time of delivery, that such projections are incorrect or misleading in any material respect.

SECTION 4.7 *Indebtedness*. Schedule 4.7 contains a complete and accurate list of all Indebtedness, (whether liquidated or unliquidated, mature or not yet mature, absolute or contingent, secured or unsecured) of the Credit Party. No Credit Parties is in default or alleged to be in default with respect to any of its liabilities listed in the Audited Financials or the Interim Financials, except where such default or alleged default could not reasonably be expected to result in a Material Adverse Effect.

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SECTION 4.8 *Ownership and Control*. Attached hereto as Schedule 4.8 is an accurate and complete list of the following information: (a) the authorized capitalization of each Credit Party as of the date hereof; (b) the number of shares of each class of the issued Capital Stock of each Credit Party and the number of outstanding shares thereof; (c) the number of shares covered by all convertible securities and all options, warrants and similar rights held with respect to the Capital Stock of each Credit Party; (d) the names of the record owners of five percent (5%) or more of all such shares of Capital Stock, all such holders of convertible securities, options, warrants and similar rights to purchase five percent (5%) or more of all shares of Capital Stock and the number of shares held by each such record owner; (e) the percentage of the outstanding shares of Capital Stock held by each Credit Party; and (f) all joint ventures and partnerships of each Credit Party with any other Person. All shares of Capital Stock of each Credit Party and all convertible securities, options, warrants and similar rights held with respect to the Capital Stock of each Credit Party have been duly authorized, and are validly issued, are fully paid and nonassessable (in the case of Capital Stock), and are owned of record as set forth on Schedule 4.8, free and clear of all Liens (other than Permitted Liens). Except as listed in Schedule 4.8, there are no outstanding options, warrants, convertible securities or other stock purchase rights issued by each Credit Party as of the date hereof, and there are no sale agreements, pledges, proxies, voting trusts, powers of attorney or other agreements or instruments binding upon the shareholders of each Credit Party with respect to beneficial and record ownership of, or voting rights with respect to, the Capital Stock of each Credit Party as of the date hereof.

SECTION 4.9 *No Material Adverse Change.* Since the ending date of the Interim Financials, other than as disclosed in Schedule 4.9 hereto, there has occurred no event that has or reasonably would be expected to have a Material Adverse Effect.

SECTION 4.10 *Title to Properties; Possession Under Leases.*

(a) Each Credit Party has good and marketable title to, or valid leasehold interests in, all its material properties and assets purported to be owned or leased by it free and clear of Liens, other than Permitted Liens.

(b) Attached hereto as Schedule 4.10 is an accurate and complete list, as of the date hereof, of all leases of Real Property and other material leases to which any Credit Party is a party or by which any Credit Party, or any of its assets is bound, together with all amendments or supplements thereto (collectively, the "*Leases*").

SECTION 4.11 *Litigation; Compliance with Laws*

(a) Except as set forth on Schedule 4.11 (the "*Litigation Schedule*"), there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Credit Parties, threatened against or affecting any Credit Party or any of its Subsidiaries or any business, Property or rights of any Credit Party or any of its Subsidiaries (i) that involve any Loan Document or the Transaction or (ii) that involve amounts in excess of $500,000 or which could prejudice in any material respect any Holder' s rights or remedies under the Loan Documents.

(b) No Credit Party nor any of their respective material properties or assets is in violation of, nor will the continued operation of its properties and assets as currently

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conducted violate, any Applicable Law, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, except for such violations or defaults that could not reasonably be expected to have a Material Adverse Effect.

(c) Except for matters set out in the Litigation Schedule, no Credit Party is in breach of, default under, or in violation of: (a) any Applicable Law, decree, or order of any Governmental Authority, which breach, default or violation would reasonably be expected to result in a Material Adverse Effect; or (b) any deed, lease, loan agreement, commitment, bond, note, deed of trust, restrictive covenant, license, indenture, contract, or other agreement, instrument or obligation to which it is a party or by which it is bound or to which its assets are subject, which breach, default or violation would reasonably be expected to result in a Material Adverse Effect.

SECTION 4.12 *Contracts, Etc.*

(a) Attached hereto as Schedule 4.12 is an accurate and complete list of all Material Contracts to which any Credit Party is a party or by which any Credit Party or any of its assets is bound. Each Credit Party has entered into all Material Contracts necessary for the conduct of its business as presently conducted. Each of the Material Contracts is valid, binding and enforceable in accordance with its terms and remains in full force and effect. No Credit Party is in default or, to the knowledge of the Credit Parties, alleged to be in default with respect to any of its obligations under any of the Material Contracts (nor would be in default or alleged to be in default with the giving of notice, passage of time, or both) which would entitle the other party thereto to exercise remedies thereunder (excluding those defaults pursuant to which the other party thereto has made a monetary claim for less than $500,000), and, to the knowledge of the Credit Parties, no party other than the Credit Parties is in default with respect to such party' s obligations under any of the Material Contracts (or would be in default or alleged to be in default with the giving of notice, passage of time, or both). No claim has been asserted against any Credit Party that is or could be materially adverse to its interests under any of the Material Contracts. None of the Material Contracts is subject to any material rights of set-off, recoupment or similar deduction or offset. No Credit Party has assigned or encumbered any of its rights, title or interest in or under any of the Material Contracts (except to secure the Senior Debt) nor agreed to any oral modifications of any of the material provisions of any of the Material Contracts.

(b) No notice of suspension, debarment, cure notice, show cause notice or notice of termination for default has been issued by the Government to any Credit Party, and no Credit Party is a party to any pending, or to any Credit Party' s knowledge threatened, suspension, debarment, termination for default or show cause requirement by the Government or other adverse Government action or proceeding in connection with any Government Contract or Government Subcontract. All Government Contracts which have a remaining term of 12 months or longer and a remaining value of $5,000,000 or more are listed on Schedule 4.12.

(c) No existing Government Contract or other Material Contract of any Credit Party (and no present or future interest of any Credit Party, in whole or in part, in, to or under any such Government Contract or other Material Contract) is currently assigned, pledged, hypothecated or otherwise transferred to any person or entity (other than in favor of the Senior Lenders or the Holders).

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(d) The Contribution Agreement is in full force and effect, has not been modified, altered or amended in any respect whatsoever (other than to add a new Borrower party thereto from time to time), and no Borrower is in default thereunder.

SECTION 4.13 *No Side Agreements; Affiliate Transactions*. There exists no agreement or understanding calling for any payment or consideration from a customer or supplier of any Credit Party to an officer, director, shareholder or manager of any Credit Party with respect to any transaction between any Credit Party or any of its Subsidiaries and a supplier or customer. Except as set forth in Schedule 4.13, no Credit Party is a party to or bound by any agreement and arrangement (whether oral or written) to which any Affiliate of such Credit Party is a party except upon fair and reasonable terms no less favorable to such Credit Party than it could obtain in a comparable arm' s-length transaction with an unaffiliated Person.

SECTION 4.14 *Investment Company Act; Public Utility Parent Company Act.* No Credit Party is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Parent Company Act of 1935, as amended.

SECTION 4.15 *Insurance*. Each Credit Party has made available to Allied Capital insurance certificates for all of the insurance maintained by such Credit Party as listed on Schedule 4.15. Each Credit Party has insurance in such amounts and covering such risks and liabilities as may be reasonable and prudent and as may otherwise be reasonably required by Allied Capital. Such insurance is in full force and effect and all premiums have been duly paid.

SECTION 4.16 *Tax Returns.* Each Credit Party has filed or caused to be filed all Federal, state, and local tax returns which are required to have been filed by it or has filed extensions therefor and has paid or caused to be paid all taxes as and when due and payable by it and all assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which such Credit Party shall have set aside on its books adequate reserves.

SECTION 4.17 *No Untrue Statements or Material Omissions.* None of the statements contained in any report, financial statement, exhibit or schedule furnished by or on behalf of any Credit Party to any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, contained or contains any untrue statement of material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the time when made or delivered.

SECTION 4.18 *Employee Benefit Matters*.

(a) Attached hereto as Schedule 4.18(a) is an accurate and complete list of each employee benefit plan (as defined in Section 3(3) of ERISA), and each Plan, each stock option, stock purchase, restricted stock, and incentive deferred compensation plan, and all other material plans, programs, arrangements or agreements currently in effect, established, maintained, or contributed to (or, for which there is any contribution obligation) by the Borrowers (other than the UK Borrowers) or any ERISA Affiliate for the benefit of current or

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former employees, officers or directors of the Borrowers (other than the UK Borrowers) or any ERISA Affiliate.

(b) Except as set forth in Schedule 4.18(b), no plan listed in Schedule 4.18(a) is a Multiemployer Plan, and none of the Borrowers (other than the UK Borrowers) or any ERISA Affiliate (i) would incur any "withdrawal liability" (within the meaning of Part 1 of Subtitle E of Title IV of ERISA) if it made a "complete withdrawal" or a "partial withdrawal" (both within the meaning of Part 1 of Subtitle E of Title IV of ERISA and both a "*Withdrawal*") from each Multiemployer Plan to which it has an obligation to contribute and (ii) has incurred any Withdrawal Liability as a result of a past Withdrawal from a Multiemployer Plan.

(c) With respect to each Plan, (i) no "accumulated funding deficiency," as such term is defined in Section 302 of ERISA or Code section 412, exists or existed at any time, (ii) no waiver of the minimum funding standards of Section 302 of ERISA and Code Section 412 has been requested from or granted by the Internal Revenue Service, and (iii) no lien in favor of any Plan has arisen under Section 302(f) of ERISA or Code Section 412(n).

(d) There have been no Reportable Events, and the execution and performance of this Agreement will not constitute a Reportable Event. No Plan has been terminated since the effective date of ERISA which could result in any tax, penalty or liability being imposed upon the Borrowers (other than the UK Borrowers) or any ERISA Affiliate.

(e) To the knowledge of the Borrowers, neither the Borrowers (other than the UK Borrowers) nor any ERISA Affiliate, nor any predecessor-in-interest to any of them, has participated in, and the execution and performance of this Agreement will not involve any, Prohibited Transaction that could reasonably be expected to have a Material Adverse Effect.

(f) Each plan listed in Schedule 4.18(a) is now and always has been operated in all material respects in accordance with Applicable Law and its terms, and all obligations required to be performed under each such plan have been performed such that there is no material default or violation by any party to any such plan. Each such plan that is intended to be qualified under Code Section 401(a) and each trust established in connection with any such plan that is intended to be exempt from federal income taxation under Code Section 501(a) has received a favorable determination letter from the Internal Revenue Service that it is so qualified or exempt, as applicable, any no fact or event has occurred since the date of such determination letter that could reasonably be expected to adversely affect the qualified status of such plan or the exempt status of any such trust unless corrective actions were taken.

(g) Except as set forth in Schedule 4.18(g), the execution and performance of this Agreement will not (i) constitute a stated triggering event under any plan listed in Schedule 4.18(a) that will result in any payment becoming due to any employee, officer, director or independent contractor of the Borrowers (other than the UK Borrowers) or any ERISA Affiliate or (ii) accelerate the time of payment or vesting for, or increase the amount of any compensation or benefits due to any such individual.

(h) All rights that are necessary to amend or terminate each of the Plans listed in Schedule 4.18(a) without the consent of any other person have been reserved, and such rights to amend or terminate are enforceable.

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SECTION 4.19 *Environmental Matters.* Except as could not reasonably be expected to have a Material Adverse Effect:

(a) The Real Property does not contain any Hazardous Materials in amounts or concentrations which (i) constitute, or constituted a violation of, (ii) require Remedial Action under, or (iii) could give rise to liability under, Environmental Laws;

(b) The Real Property and all operations of each Credit Party are in compliance in all material respects, and in the last five years have been in compliance, with all Environmental Laws and all necessary Environmental Permits have been obtained and are in effect;

(c) There have been no Releases or threatened Releases in violation of applicable Environmental Laws at, from, under or proximate to the Real Property or otherwise in connection with the operations of any Credit Party;

(d) No Credit Party has received any notice of an Environmental Claim in connection with the Real Property or its operations or with regard to any Person whose liabilities for environmental matters such Credit Party has retained or assumed, in whole or in part, contractually, by operation of law or otherwise, nor do the Credit Parties have reason to believe that any such notice will be received or is being threatened; and

(e) Hazardous Materials have not been transported from the Real Property in violation of any Environmental Law, nor have Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Properties in a manner that could reasonably be expected to give rise to liability under any Environmental Law, nor have any Credit Party retained or assumed any liability, contractually, by operation of law or otherwise, with respect to the generation, treatment, storage or disposal of Hazardous Materials.

SECTION 4.20 *Labor Matters.* As of the date hereof, there are no strikes, lockouts or slowdowns against any Credit Party pending or, to the actual knowledge of the Credit Parties, threatened. The hours worked by and payments made to employees of any Credit Party have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. Except as disclosed in Schedule 4.20 hereto, all payments due from any Credit Party or for which any claim may be made against any Credit Party, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Credit Party. Except as disclosed on Schedule 4.20, no Credit Party is a party to or bound by any collective bargaining agreement, management agreement, consulting agreement, employment agreement, bonus, restricted stock, stock option or stock appreciation plan or agreement or any similar plan, agreement or arrangement. The consummation of the Transaction will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Credit Party is bound.

SECTION 4.21 *Employees*. Attached hereto as Schedule 4.21 is an accurate and complete list of all employment and compensation contracts, including all retirement benefit agreements not disclosed on Schedule 4.18, between any Credit Party and their respective officers and executives. To the knowledge of the Credit Parties, no officer, executive or other

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key employee of any Credit Party has advised any Credit Party (orally or in writing) that he or she intends to terminate employment with any Credit Party.

SECTION 4.22 *Solvency.* After giving effect to the consummation of the transactions contemplated by this Agreement, each Credit Party will be Solvent. This Agreement is being executed and delivered by each Credit Party to the Holder in good faith and in exchange for fair, equivalent consideration. No Credit Party intends to nor does management believe any Credit Party will incur debts beyond its ability to pay as they mature. No Credit Party contemplates filing a petition in bankruptcy or for an arrangement or reorganization under the United States Bankruptcy Code or any similar law of any jurisdiction now or hereafter in effect relating to it, nor does any Credit Party have any knowledge of any threatened bankruptcy or insolvency proceedings against such Credit Party.

SECTION 4.23 *Licenses*. Each Borrower has good title to all of the Licenses necessary to operate such Borrower' s Business.

SECTION 4.24 *Brokers.* Except for WWC Securities, LLC which will be paid $500,000 on or after the date hereof, no Credit Party has engaged the services of a broker in connection with the Transactions. Upon payment to WWC Securities, LLC of the payment described herein, all monetary and non-monetary obligations of the Credit Parties to WWC Securities, LLC shall be fully and completely satisfied.

SECTION 4.25 *Intellectual Property*. As of the Closing Date, each Credit Party owns or will own or has rights to use all Intellectual Property necessary to continue to conduct its business as now or heretofore conducted by it or proposed to be conducted by it, and each patent, material trademark and material copyright and license owned by any Credit Party is listed, together with application or registration numbers, as applicable in Schedule 4.25. Each Credit Party conducts its business and affairs without infringement of or interference with any Intellectual Property of any other Person and no Credit Party has knowledge that another Person is infringing or interfering with any Intellectual Property of any Credit Party.

SECTION 4.26 *Foreign Assets Control Regulations and Anti-Money Laundering.*

(a) *OFAC*. No Credit Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury' s Office of Foreign Assets Control regulation or executive order.

(b) *Patriot Act*. Each Credit Party are in compliance, in all material respects, with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended (the "*Patriot Act*"). No part of the proceeds of the Investment will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for

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political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

ARTICLE V.
LENDER REPRESENTATIONS

Allied Capital represents and warrants to the Borrowers as follows:

SECTION 5.1 *Investment*. It is acquiring the Notes (collectively, the "*Securities*") for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and it has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof.

SECTION 5.2 *Authority*. It has full power and authority to enter into and to perform this Agreement in accordance with its terms. It represents that it has not been organized, reorganized or recapitalized specifically for the purpose of investing in the Securities.

SECTION 5.3 *Accredited Investor*. It is an "*Accredited Investor*" within the definition set forth in Rule 501(a) of the Securities Act.

ARTICLE VI.
AFFIRMATIVE COVENANTS

Until the Notes and all Obligations payable under the Loan Documents are repaid in full, unless the Holders shall otherwise consent in writing, the Credit Parties jointly and severally covenant and agree with the Holders to do (and to cause its Subsidiaries to do) all of the following:

SECTION 6.1 Existence; Businesses and Properties.

(a) Each of the Credit Parties will do or cause to be done all things necessary to preserve and maintain its legal existence (except as otherwise permitted under Section 7.5) and to maintain such Credit Party' s right to do business in each jurisdiction in which such Credit Party conducts business.

(b) Each of the Credit Parties will do or cause to be done all things necessary to: (i) obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; and (ii) at all times maintain and preserve all Property material to the conduct of such business and keep such Property in good repair, working order and condition (ordinary wear and tear excepted) and from time to time make, or cause to be made, all repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

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SECTION 6.2 *Insurance.* Each of the Credit Parties will keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance to such extent and against such risks as is reasonable and prudent and as may otherwise be reasonably required by the Holders, including commercial general liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, product liability insurance and business interruption insurance; and maintain such other insurance as may be required by Applicable Law, in each case naming the Holders as a lienholder/mortgagee to the extent of their interests and providing for 30 day prior written notice of expiration, cancellation or reduction in coverage and waiver of subrogation (other than with respect to worker' s compensation insurance).

SECTION 6.3 *Taxes.* Each of the Credit Parties will pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof (other than a Permitted Lien), *provided, however,* that such payment and discharge shall not be required with respect to any such tax, assessment charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and any Credit Party shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation, tax, assessment or charge and enforcement of a Lien.

SECTION 6.4 *Financial Statements, Reports, etc.* The Credit Parties will furnish to the Holders:

(a) within 90 days after the end of each fiscal year, the consolidated and consolidating balance sheets and related statements of operations, stockholders' equity and cash flows, showing the financial condition of the Parent Company and its Subsidiaries, as of the close of such fiscal year and the results of its operations during such year, such consolidated statements to be audited by an independent public accountant of recognized national or regional standing acceptable to the Holders (it being understood that Ernst & Young is acceptable to the Holders), and accompanied by an opinion of such accountant (which shall not be qualified in any material respect) that such financial statements fairly present the financial condition and results of operations of the Parent Company and its Subsidiaries on a consolidated basis in accordance with GAAP;

(b) within 45 days after the end of each fiscal quarter of each fiscal year, its consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows showing the financial condition of the Parent Company and its Subsidiaries, as of the close of such fiscal quarter and the results of its operations during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by its Financial Officer as fairly presenting in all material respects the financial condition and results of operations of the Parent Company and its Subsidiaries on a consolidated basis in accordance with GAAP (but without footnotes), subject to normal year-end audit adjustments, together with a quarterly management summary description of operations (which requirement can be satisfied by delivery of the Management' s Discussion and Analysis from the Parent Company' s filings with the SEC

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on Form 10-K or 10-Q), together with detailed calculations evidencing compliance with the financial ratios and covenants set forth in Section 6.12;

(c) within 45 days after the end of each month through a series of reports, (i) its monthly and year-to-date consolidated and consolidating financial statements of the Parent Company and its Subsidiaries; (ii) in comparative form statements of operations with corresponding figures for the corresponding month, quarter-to-date and fiscal year-to-date period of the preceding fiscal year; and (iii) a forecast for the fiscal year compared to the annual budget;

(d) concurrently with any delivery of financial statements under sub-paragraph (a) or (b) above, a certificate of the Parent Company duly executed on its behalf by a Financial Officer of the Parent Company, in each case opining on or certifying such statements (which certificate, when furnished by an accounting firm, may be limited to accounting matters and disclaim responsibility for legal interpretations) containing a detailed calculation of the relevant items used to calculate compliance with the financial covenants set forth in Section 6.12 and, certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(e) to the extent that any Credit Party becomes subject to such reporting requirements, promptly, but in all events within three Business Days after the same become publicly available, copies of all final periodic and other reports, proxy statements and other materials filed by such Credit Party with the U.S. Securities and Exchange Commission (the "*SEC*"), or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed to its shareholders (exclusive of proprietary information unless (i) the Person that is the source of the information or report is a public company and (ii) such Person would then be required to file such proprietary information with the SEC), as the case may be;

(f) within 30 days of filing, copies of all material documents filed by any Credit Party other than in the ordinary course of business with any Governmental Authority, including, without limitation, the U.S. Internal Revenue Service, the U.S. Environmental Protection Agency (and any state equivalent), the U.S. Occupational Safety & Health Administration and the SEC;

(g) promptly upon request by any Holder, copies of all pleadings related to any material action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, by or against any Credit Party or any Affiliate thereof;

(h) as soon as practicable, and in any event not later than 120 days following to commencement of each calendar year, a copy of the Credit Parties' annual budget (detailed on a quarterly basis) for such fiscal year, in a form consistent with the financial statements provided hereunder;

(i) within 10 days of receipt, copies of any notice of default on any loans or leases which default is in excess of $500,000, individually or in the aggregate, to which any Credit Party is a party;

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(j) if any Credit Party shall receive any letter, notice, subpoena, court order, pleading or other document issued, given or delivered by the Government, any Prime Contractor or by any person or entity acting for or on behalf of the Government or such Prime Contractor with respect to, or in any manner related to any alleged default, fraud, dishonesty, malfeasance or other willful misconduct of a Credit Party, a copy of such letter, notice, subpoena, court order, pleading, or document to each Holder within three Business Days of such Credit Party' s receipt thereof, provided that if any letter, notice, subpoena, court order, pleading or other document required to be delivered to each Holder pursuant to this clause (j) contains any information deemed "classified" by the Government and/or the dissemination of any such information to each Holder would result in the Credit Parties violation any Applicable Law, then the Credit Parties may deliver a summary thereof, but including as much (but no more than) detail as can be included therein without violating any Applicable Law;

(k) if any Credit Party shall issue, give or deliver to the Government, any Prime Contractor or by any person or entity acting for or on behalf of the Government or such Prime Contractor any letter, notice, subpoena, court order, pleading or other document with respect to, or in any manner related to, or otherwise in response to any alleged default, fraud, dishonesty, malfeasance or other willful misconduct of a Credit Party, a copy of such letter, notice, subpoena, court order, pleading, or document to each Holder concurrent with the Credit Party' s issuance or delivery thereof to the Government, Prime Contractor or any person or entity acting for or on behalf of the Government of such Prime Contractor; provided that if any letter, notice, subpoena, court order, pleading or other document required to be delivered to each Holder pursuant to this clause (k) contains any information deemed "classified" by the Government and/or the dissemination of any such information to each Holder would result in the Credit Parties violation any Applicable Law, then the Credit Parties may deliver a summary thereof, but including as much (but no more than) detail as can be included therein without violating any Applicable Law;

(l) promptly after entering into the same, copies of (i) all shareholders agreements and (ii) all employment agreements and other agreements of any Credit Party, the breach or termination of which could reasonably be expected to have a Material Adverse Effect; and

(m) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of any Credit Party, or compliance with the terms of any Loan Document, as any Holder may reasonably request (including any information necessary to enable the Holders to file any form required by any Governmental Authority).

SECTION 6.5 *Litigation and Other Notices.* The Credit Parties will furnish to the Holders prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) within 30 days of filing, the filing or commencement of or any written threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, by or against any Credit Party, any of its Subsidiaries or any Affiliate thereof which could reasonably be expected to have

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a Material Adverse Effect, and any judgments entered against any Credit Party or any of its Subsidiaries;

(c) at least 30 days and no more than 60 days prior notice of any Change of Control, except that in event that a Change a Control of which the Borrowers had no knowledge has resulted solely from a transfer of equity securities by stockholders of the Borrowers, then immediately upon Borrower becoming aware of such Change of Control; and

(d) any development that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect (including, without limitation, any enforcement, remedial or other governmental regulatory or other action instituted, completed or threatened in writing against any Credit Party or any of its Subsidiaries pursuant to any applicable Environmental Law, and any claim made by any Person against any Credit Party or any of its Subsidiaries relating to liability in respect of Hazardous Materials, which in each case would reasonably be expected to result in a Material Adverse Effect).

SECTION 6.6 *Employee Benefits.* Each Credit Party will (a) comply in all material respects with the applicable provisions of ERISA and the Code and (b) furnish to the Holders as soon as possible after, and in any event within 10 days after any Responsible Officer of such Credit Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred that alone or together with any other ERISA Event could reasonably be expected to result in liability of such Credit Party in an aggregate amount exceeding $500,000, a statement of a Financial Officer of such Credit Party setting forth details as to such ERISA Event and the action, if any, that such Credit Party proposes to take with respect thereto.

SECTION 6.7 *Maintaining Records; Access to Properties and Inspections*. Each Credit Party will keep proper books of record and account in which full and correct entries in conformity with GAAP are made of all dealings and transactions in relation to its business and activities. Each Credit Party will permit any representatives designated by the Holders to obtain background information on such Credit Party or its management and to visit and inspect the financial records and the properties of such Credit Party at reasonable times during normal business hours and as often as reasonably requested and to make extracts from and copies of such financial records, and permit any representatives designated by the Holders to discuss the affairs, finances and condition of such Credit Party with the officers thereof and independent accountants therefor. In addition, the Credit Parties shall permit the Holders to conduct a review of the use of the proceeds of the Notes and shall certify in writing to the Holders that the proceeds of the Notes were used in accordance with Section 2.10 hereof.

SECTION 6.8 *Compliance with Laws.* Each Credit Party will comply with and perform all obligations under all contracts to which it is a party and to comply in all material respects with Applicable Laws, whether now in effect or hereinafter enacted, except to the extent such non-compliance could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, each Credit Party will: (a) comply, and cause all lessees and other persons occupying their Properties to comply, in all material respects with all Environmental Laws and Environmental Permits applicable to its operations and Properties; (b) obtain and renew all material Environmental Permits necessary for their operations and Properties; and (c) conduct in all material respects any Remedial Action in accordance with applicable Environmental Laws; *provided, however*, that no Credit Party shall be required to

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undertake any Remedial Action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

SECTION 6.9 *[INTENTIONALLY OMITTED].*

SECTION 6.10 *Further Assurances*. Each Credit Party will execute any and all further documents, agreements and instruments, and take all further action that may be required under Applicable Law, or that the Holders may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents. The Credit Parties shall deliver or cause to be delivered to the Holders all such instruments and documents (including legal opinions) as the Holders may reasonably request to evidence compliance with this Section.

SECTION 6.11 *Maintenance of Office or Agency*. Each Borrower shall maintain an office or agency (a) where the Notes may be presented for payment, or for registration and transfer and for exchange as provided in this Agreement, and (b) where notices and demands to or upon each Borrower in respect of the Notes may be served. The location of such office or agency initially shall be the principal office of the Borrowers as set forth in Section 9.1 hereof. Each Borrower shall give the Holders written notice of any change of location thereof.

SECTION 6.12 *Financial Ratios and Covenants*. The Parent Company and its Subsidiaries shall with respect to each period set forth below have complied or comply with and maintain each of the following financial ratios and financial covenants, using the information set forth in the financial statements provided by the Parent Company and its Subsidiaries in accordance with Section 6.4 above:

(a) Fixed Charges Ratio. The Parent Company and its Subsidiaries will maintain on a consolidated basis a Fixed Charges Ratio of: (i) not less than 1.15 to 1.00 for each fiscal quarter through the fiscal quarter ending June 30, 2005; and (ii) not less than 1.25 to 1.00 for the fiscal quarter ending September 30, 2005 and each fiscal quarter thereafter. For purposes of the foregoing, "*Fixed Charges Ratio*" shall mean, for each measurement period, the sum of the Parent Company' s and its Subsidiaries' EBITDA, plus real property rent expense and operating lease expense, divided by the sum of the Parent Company' s and its Subsidiaries' real property rent expense and operating lease expense, plus cash interest expense, plus cash taxes paid, plus required principal payments on debt, plus capital lease payments. The Fixed Charges Ratio shall be measured on the last day of each fiscal quarter and shall be calculated on a four (4) quarter rolling basis.

(b) Asset Coverage Ratio. The Parent Company and its Subsidiaries will maintain on a consolidated basis an Asset Coverage Ratio of not less than 1.00 to 1.00 for each fiscal quarter. For purposes of the foregoing, "*Asset Coverage Ratio*" shall mean, for each measurement period, the sum of the Parent Company' s and its Subsidiaries' gross accounts receivable (billed and unbilled), plus unrestricted cash, divided by until the Senior Debt is paid in full, the sum of the prior thirty (30) day average outstanding loan balance under the Senior Credit Facility, plus the face amount of all outstanding letters of credit on the "as of" date of the calculation, plus (A) from and after the date hereof until the date which is one (1) year from the date hereof, the greater of: (a) $6,000,000, and (b) fifty percent (50%) of the outstanding balance of the Notes on the "as of" date of the calculation, (B) from and after the date which is one (1)

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year from the date hereof until the date which is two (2) years from the date hereof, the greater of (a) $8,000,000, and (b) eighty percent (80%) of the outstanding balance of the Notes on the “as of” date of the calculation, and (C) from and after the date which is two (2) years from the date hereof, the greater of (a) $6,000,000 and (b) one hundred percent (100%) of the outstanding balance of the Notes on the “as of” date of the calculation.

(c) Leverage Ratio. The Parent Company and its Subsidiaries will maintain on a consolidated basis for each quarter ending during the periods specified below, a Leverage Ratio of not more than the following:

Period	Required Leverage Ratio
From the Closing Date through September 30, 2004	Less than or equal to 3.50 to 1.00
From and after October 1, 2004	Less than or equal to 3.00 to 1.00

For purposes of the foregoing, “Leverage Ratio” shall mean, for each measurement period, the ratio of the Parent Company’ s and its Subsidiaries’ Total Debt to EBITDA. The Leverage Ratio shall be measured on the last day of each fiscal quarter.

(d) Capital Expenditures. The Parent Company and its Subsidiaries shall not, on an aggregate and consolidated basis, make or incur any capital expenditures (including, but not limited to, expenditures for leasehold improvements and capitalized costs) during any fiscal year in excess of $4,500,000; provided, however, that if in any fiscal year the Parent Company’ s and its Subsidiaries’ capital expenditures are less than $4,500,000 (a “*Carryover Year*”), the capital expenditure limit for the immediately following fiscal year shall be increased by the amount by which $4,500,000 exceeds the amount of capital expenditures made by the Parent Company and its Subsidiaries in the Carryover Year, but in no event shall the amount carried over to any future year exceed $2,250,000.

(e) Continued Profitability. The Parent Company and its Subsidiaries shall not, on a consolidated basis, sustain or incur negative Net Income for any fiscal quarter; it being understood and agreed that the non-cash charges listed on Schedule 6.12(e) hereto, and any other non-cash charges pre-approved in writing by the Holders, in their sole and absolute discretion, may be added back to operating income for the sole purpose of calculating the Parent Company’ s and its Subsidiaries’ Net Income.

Unless otherwise defined in this Agreement, all financial terms used in this Section 6.12 shall have the meanings attributed to such terms in accordance with GAAP; provided that aggregate amount of EBITDA attributable to the Non-Borrower Subsidiaries included for purposes of calculating compliance with this Section 6.12 shall at no time account for more than 5% of the total EBITDA of the Parent Company and its Subsidiaries on a consolidated basis for the applicable period.

SECTION 6.13 [*INTENTIONALLY OMITTED]*.

SECTION 6.14 *[INTENTIONALLY OMITTED]*.

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SECTION 6.15 *Use of Proceeds.* The Borrowers will use the proceeds of the investment only for the purposes specified in Article II.

SECTION 6.16 *Landlord Waivers; Subordination.* The Credit Parties (other than the UK Borrowers) shall provide to the Holders landlord waivers with respect to each location at which any Credit Party (other than a UK Borrower) now or hereafter stores, keeps or locates its books and records, as well as for each location where any Credit Party' s (other than a UK Borrower' s) assets are now or hereafter located (other than with respect to those locations set forth on Schedule 6.16(a). Notwithstanding the foregoing, it is understood and agreed that the Credit Parties shall make commercially reasonable efforts to obtain landlord waivers within ninety (90) days from the Closing Date, each in a form satisfactory to the Holders, relating to its leased properties described on Schedule 6.16(b). The failure of the applicable Credit Parties to obtain any such landlord waiver referenced on Schedule 6.16(b), shall not constitute an Event of Default hereunder provided that: (a) the Credit Parties shall have diligently exercised commercially reasonable efforts to obtain within ninety (90) days after the Closing Date either such landlord waiver(s) or a landlord access letter in substantially the form attached hereto as Exhibit A; and (b) the applicable Borrower has provided to the Holders a copy of all correspondence between it and the landlord relating to the landlord waiver or landlord access letter.

ARTICLE VII.
NEGATIVE COVENANTS

Until the Notes and all Obligations are repaid in full, unless the Holders shall otherwise consent in writing, the Credit Parties jointly and severally covenant and agree not to do any of the following without the prior written consent of the Holders:

SECTION 7.1 *Indebtedness*.

(a) No Credit Party shall directly or indirectly incur, create, assume or permit to exist any Indebtedness other than the following (together, the "*Permitted Indebtedness*"):

(i) the Senior Debt;

(ii) Indebtedness created hereunder and under the other Loan Documents and under the Junior Debt Documents;

(iii) Indebtedness of any Credit Party to another Credit Party so long as (i) after such transaction, such Credit Party providing the Indebtedness will be Solvent and (ii) no Default or Event of Default then exists or will exist after such transaction;

(iv) Guarantees of Indebtedness otherwise permitted by this Section 7.1;

(v) Indebtedness existing on the date hereof and listed on Schedule 4.7;

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(vi) Indebtedness arising from advances permitted pursuant to Section 7.6 hereof;

(vii) Indebtedness in respect of interest rate protection agreements entered into in the ordinary course of business and not for speculative purposes; and

(viii) any other Indebtedness of any Credit Party; *provided* that at the time of creation, incurrence or assumption there and at any time after giving effect thereto, the aggregate principal amount of such Indebtedness shall not exceed $1,000,000 in any fiscal year, or $2,000,000 in the aggregate outstanding at any time.

(b) Notwithstanding any provision to the contrary, except for the Indebtedness created hereunder and under the Junior Debt Documents, the Credit Parties shall not, nor permit any of their Subsidiaries to, incur any Indebtedness that is subordinate or junior in right of payment to any Senior Debt unless such Indebtedness by its terms is subordinated to the Notes and the guarantee of the Guarantors, in each case on terms acceptable to the Holders.

(c) No Credit Party shall cancel any Indebtedness, claim or other debt owing to it other than to another Credit Party, except for reasonable consideration negotiated on an arm' s-length basis in the ordinary course of its business consistent with past practices.

SECTION 7.2 *Liens*. No Credit Party shall create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof except the following (the "*Permitted Liens*"):

(a) Liens securing the Senior Debt, the Notes and the Junior Debt;

(b) Liens for taxes, assessments or governmental charges (excluding any Lien imposed pursuant to any of the provisions of ERISA) not yet due or which are being contested in compliance with Section 6.3 which (i) the Credit Party has the financial ability to pay, including penalties and interest, and (ii) the non-payment thereof will not result in the execution of any such tax lien or otherwise jeopardize the interests of the Holders in any part of the Collateral;

(c) Liens of carriers' , warehousemen' s, mechanics' , vendors' , materialmen' s, repairmen' s or other like Liens arising in the ordinary course of business and securing obligations that are not due and payable or which are separately secured by cash deposits or pledges in an amount adequate to obtain the release of such liens;

(d) deposits or pledges made in the ordinary course of business to secure obligations under workers' compensation, social security or similar laws;

(e) deposits to secure the performance of bids, tenders, trade contracts (other than for borrowed money), leases (other than capital lease obligations), liens to secure the performance of statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in

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the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or materially adversely interfere with the use of such property for its present purposes;

(g) Liens arising solely by virtue of any contractual or statutory or common law provisions relating to banker' s liens, rights to set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution provided that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Credit Party or any Subsidiary in excess of those set forth by regulations promulgated by the Board of Governors of the Federal Reserve System and (ii) such deposit account is not intended by the Credit Party or such Subsidiary to provide collateral to the depositary institution (except in connection with Liens securing the Senior Debt);

(h) except as otherwise provided in the Loan Documents, statutory or contractual landlord' s liens on the tangible personal property of any Credit Party located in such Credit Party' s demised premises;

(i) judgment Liens not giving rise to an Event of Default; and

(j) Liens securing purchase money Indebtedness to the extent such Indebtedness is expressly permitted pursuant to Section 7.1(viii).

SECTION 7.3 *Sale and Lease-Back Transactions*. No Credit Party shall enter into any arrangement, directly or indirectly, with any Person providing for such Credit Party to lease or rent property that such Credit Party has sold or will sell or otherwise transfer to such Person or any of its Affiliates.

SECTION 7.4 *Investments.* No Credit Party shall make any Investments except:

(a) Investments existing on the date hereof and listed on Schedule 7.4;

(b) Cash Equivalents;

(c) Investments consisting of extensions of trade credit in the ordinary course of any Borrower' s Business;

(d) loans and advances permitted under Section 7.6(c);

(e) Investments in Wholly-Owned Subsidiaries of a Credit Party that become a Credit Party pursuant to the terms of Section 7.7 on or prior to the date of such Investment; and

(f) other Investment instruments approved in writing by Holders.

SECTION 7.5 *Mergers, Consolidations, Sales of Assets, Act of Dissolution*.

(a) No Credit Party shall merge or consolidate, sell majority ownership or effective control of any Credit Party or enter into any analogous reorganization or transaction with any Person; *provided* that (i) any Subsidiary of a Credit Party may be merged with any Credit Party if such Credit Party is the surviving or successor entity and, at the time of each such

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merger or consolidation, both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (ii) ORC Protel, Inc. may merge with and into a newly formed limited liability company that becomes a Credit Party hereunder, and (iii) ORC Inc. may merge with and into Parent Company so long as Parent Company is the surviving corporation following such merger.

(b) No Credit Party shall change its form of entity.

(c) No Credit Party shall consummate any Asset Disposition.

SECTION 7.6 *Dividends and Distributions; Restrictions on Ability of Subsidiaries to Pay Dividends.*

(a) No Credit Party shall declare or pay any dividend on account of any class of its Capital Stock, now or hereafter outstanding, in excess of $1,200,000, in the aggregate, per annum; it being understood and agreed that such dividends may be declared and paid only to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP, and may only be declared and paid if (i) prior to and after giving effect to any such payment, no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default and (ii) not less than 15 days prior the declaration or payment of any such dividend, the Borrowers deliver to the Holders a certificate of the Parent Company duly executed on its behalf by a Financial Officer of the Parent Company certifying that, prior to and after giving effect to any such payment, no Event of Default shall have occurred or exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default and containing detailed calculations of the relevant items used to calculate such compliance with the financial covenants set forth in Section 6.12, in the same form provided in accordance with Section 6.4(d). Notwithstanding the foregoing, any Credit Party shall be entitled to pay dividends to another Credit Party without limit on the dollar amount thereof; provided that (i) no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default, and (ii) if such dividends are payable to both a Credit Party and a non-Credit Party minority shareholder, the aggregate amount of any and all dividends paid or payable to all non-Credit Party minority shareholders shall not exceed $100,000 per annum;

(b) No Credit Party shall alter or amend any Credit Party' s capital structure, purchase, redeem or otherwise retire any shares of any Credit Party' s Capital Stock, voluntarily prepay, acquire or anticipate any sinking fund requirement of any indebtedness, or make any distributions in cash or assets to any Credit Party' s shareholders or any Credit Party' s Affiliates, except that the Parent Company may make changes to its capital structure that are otherwise permitted hereunder and the Credit Parties may make distributions otherwise permitted under Section 7.6(a);

(c) Except as set forth on Schedule 7.6, make any loans, salary advances or other payments to (i) any shareholders of any Credit Party, unless such shareholder is also a Credit Party in which the Holders have a perfected security interest in and to all of its assets constituting Collateral at the time such loan, salary advance or other payment is made; (ii) any corporation or other enterprise directly or indirectly owned in whole or in part by any

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shareholder of any Credit Party, unless such corporation or other enterprise is also a Credit Party in which the Holders have a perfected security interest in and to all of its assets constituting Collateral at the time such loan, salary advance or other payment is made or (iii) any other person or entity, provide, however, that the Credit Parties may pay, make or continue to have outstanding any of the following:

(i) normal and customary operating expenses, travel and expense reimbursements to salaried employees and trade credit extended to customers of the Credit Parties' business;

(ii) regularly scheduled salary payments to individuals who are also salaried employees of any Credit Party;

(iii) loans and working capital advances to a Subsidiary of any Credit Party which is not a Credit Party hereunder, provided that the aggregate amount of all such loans and advances does not at any time exceed $1,000,000;

(iv) the loans(s) described on Schedule 7.6 limited to the corresponding amounts set forth on Schedule 7.6; and

(v) payments made directly by a Credit Party to any Subsidiary or Affiliate of a Credit Party that is not a Credit Party; provided that such payments made (A) in the ordinary course of such Credit Party' s business, (ii) for products actually delivered or services actually performed and (iii) pursuant to an "arms' length" transaction (i.e. a transaction that would otherwise be made with an unrelated and unaffiliated third party).

(d) No Borrower shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of such Borrower to (i) pay any dividends or make any other distributions on its Capital Stock or (ii) make or repay any loans or advances to any Borrower or the Parent Company of such Subsidiary, except to the extent restricted by the Senior Credit Facility or the Junior Debt Documents.

SECTION 7.7 *Transactions with Affiliates*. Except as otherwise expressly provided herein, no Credit Party shall sell or transfer any Property to, or purchase or acquire any Property from, or otherwise engage in any other transactions with, any of its officers, directors or Affiliates other than another Credit Party, except that (i) any Credit Party may engage in the foregoing transactions on terms that are fair and reasonable and no less favorable to such Credit Party than it would obtain in a comparable arm' s-length transaction with a Person not an officer, director or Affiliate, and (ii) the Credit Parties may pay up to $250,000 per year to ORC International Holdings, Ltd. with respect to expenses incurred by ORC International Holdings, Ltd. during the year in which such amounts are transferred.

SECTION 7.8 *Business of Credit Parties and Subsidiaries*.

(a) No Credit Party shall engage at any time in any business or business activity other than those substantially similar to any Borrower' s Business and business activities reasonably incidental thereto. No Credit Party shall acquire or create any new Subsidiary unless

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such subsequently acquired or organized Subsidiary joins this Agreement and the Notes as a Borrower hereunder or a Guaranty Agreement as a Guarantor thereunder and such other agreements, mortgages, financing statements, landlord waivers, mortgagee waivers and other documents, together with an opinion of counsel, as reasonably requested by the Holders, in each case in form and substance reasonably acceptable to the Holders.

(b) No Credit Party shall, nor permit any of its Affiliates to, directly or indirectly purchase or otherwise acquire, or offer to purchase or otherwise acquire, any outstanding Notes except by way of payment or prepayment in accordance with the provisions hereof.

(c) No Credit Party shall issue any Disqualified Stock.

SECTION 7.9 *Investment Company Act*. No Credit Party shall become an investment company subject to registration under the Investment Company Act of 1940, as amended.

SECTION 7.10 *Acquisitions*. No Credit Party shall acquire all of the Capital Stock or all or any material portion of the assets of any Person or any division or line of business of such Person.

SECTION 7.11 *Prepayments*. Except for the Senior Debt, the Notes or Indebtedness owed to the Borrowers from a Subsidiary, no Credit Party shall prepay any Indebtedness.

SECTION 7.12 *Additional Negative Pledges*. No Credit Party shall enter into, assume or become subject to any agreement (a) prohibiting or otherwise restricting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, except under the Senior Credit Facility and Junior Debt Documents, or (b) requiring the grant of any security for an obligation if security is given for some other obligation, except for Permitted Liens.

SECTION 7.13 *Accounting Changes*. No Credit Party shall make any significant change in accounting treatment or reporting practices, except as required or permitted by GAAP, or change its fiscal year from its current fiscal year.

SECTION 7.14 *Stay, Extension and Usury Laws*. To the extent permitted under Applicable Law, each of the Credit Parties covenants and agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, and will use their best efforts to resist any attempts to claim or take the benefit of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of their obligations under this Agreement or the Notes. To the extent permitted under Applicable Law, each of the Credit Parties hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holders, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 7.15 *Limitation on Foreign Operations.* No Credit Party shall permit (i) as of the last day of any fiscal quarter of the Borrowers, the Borrowers and their domestic Subsidiaries to own directly assets (other than Investments) representing less than 75% of the total consolidated assets of the Parent Company and its Subsidiaries determined on such date or

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(ii) as of the last day of any fiscal quarter of the Borrowers, the portion of Net Income for the period of four consecutive fiscal quarters of the Borrowers then ended which is attributable to Foreign Subsidiaries of the Borrowers to exceed 25% of Net Income for such period; provided, however, that Net Income attributable to Foreign Subsidiaries of the Borrowers may exceed 25% for such period so long as EBITDA for the Borrowers that are organized under the laws of a jurisdiction of the United States, or any State thereof or of the District of Columbia shall not be less than $10,000,000.

SECTION 7.16 *Inconsistent Agreements; Charter Amendments*. Except for the Lien Subordination Agreement and the Subordination Agreement, no Credit Party shall (i) enter into any agreement or arrangement which would restrict in any material respect the ability of such Credit Party to fulfill its Obligations under the Loan Documents, or (ii) supplement, amend or otherwise modify the terms of their articles or certificate of incorporation or bylaws or any of the Loan Documents if the effect thereof would reasonably be expected to have a Material Adverse Effect.

(a) *Lease Obligations.* Except in the ordinary course of business, no Credit Party shall enter into any new lease of Property, or modify, amend, restate or renew any lease of Property in effect as of the Closing Date.

ARTICLE VIII.
EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1 *Events of Default*. If any of the following events ("*Events of Default*") occur:

(a) any representation or warranty made or deemed made in or in connection with any Loan Document hereunder or any representation, warranty or certification contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, proves to have been materially incorrect when so made, deemed made or furnished;

(b) default is made in the payment of any principal on the Notes when due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and such default continues unremedied for a period of three days;

(c) default is made (i) in the payment of any interest on the Notes due under any Loan Document, when and as the same becomes due and payable, and such default continues unremedied for a period of five days or (ii) in the payment of any other amount (other than an amount referred to in (b) or (c)(i) above) due under any Loan Document, when and as the same becomes due and payable, and such default continues unremedied for a period of five days after notice thereof from the Holders to the Borrowers;

(d) default is made in the due observance or performance by any Credit Party of any covenant, condition or agreement contained in Section 6.12 or in Article VII (other than Sections 7.1, 7.2, 7.4 and 7.7, and other than Section 7.6, except in the case of a breach caused

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by a declaration or payment to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP);

(e) default is made in the due observance or performance by any Credit Party of any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default continues unremedied for a period ending the earlier of (i) a period of 15 days from the date such Credit Party knew of the occurrence of such default and (ii) a period of 15 days after notice thereof from the Holders to the Borrowers;

(f) any default is declared or otherwise occurs under any Material Contract of any Credit Party and the other party thereto commences exercise of its rights and remedies under such Material Contract as a consequence of such default (excluding those defaults pursuant to which the other party thereto has made a monetary claim of less than $500,000);

(g) any default is declared or otherwise occurs (after giving effect to any applicable notice and/or grace periods) under the Senior Debt, either (i) which is in the payment of any principal, interest or fees in excess of $100,000 in the aggregate due thereunder when and as the same becomes due and payable or (ii) pursuant to which the Senior Lenders have accelerated the maturity thereof;

(h) any default is declared or otherwise occurs (after giving effect to any applicable notice and/or grace periods) under any Indebtedness of any Credit Party (other than the Senior Debt) in excess of $500,000 individually or in the aggregate; provided that a default declared or otherwise occurring (after giving effect to any applicable notice and/or grace periods) under the Junior Debt shall not be a default under this paragraph (h) if such default under the Junior Debt is caused solely by a payment block resulting from a covenant default permitted under Section 4 of the Subordination Agreement;

(i) an Act of Bankruptcy or Act of Dissolution shall have occurred with respect to any Credit Party;

(j) one or more judgments for the payment of money in excess of $500,000 to the extent not fully paid or discharged (excluding any portion thereof that is covered by a insurance policy issued by an insurance company of recognized standing and creditworthiness) is rendered against any Credit Party, and the same shall remain undischarged for a period of 10 consecutive days during which execution is not effectively stayed, bonded, covered by adequate insurance, or covered by adequate reserves or any action is legally taken by a judgment creditor to levy upon assets or properties of any Credit Party to enforce any such judgment that is not effectively stayed, bonded, covered by adequate insurance, or covered by adequate reserves;

(k) an ERISA Event occurs that in the opinion of the Holders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of any Credit Party and its ERISA Affiliates in an aggregate amount exceeding $100,000;

(l) any execution or attachment shall be issued whereby any substantial part of the property of any Credit Party shall be taken or attempted to be taken and the same shall not have been vacated or stayed within 30 days after the issuance thereof;

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(m) if (i) any Credit Party is debarred or suspended from contracting with any part of the Government; (ii) a notice of debarment or suspension shall have been issued to any Credit Party; or (iii) a notice of termination for default or the actual termination for default of any Material Contract shall have been issued to or received by any Credit Party, or (iv) a Government investigation or inquiry relating to any Credit Party and involving fraud, deception, dishonesty or willful misconduct shall have been commenced in connection with any Material Contract or any Credit Party' s activities' or

(n) any Guarantor shall repudiate or purport to revoke its guaranty, or any guaranty of the Obligations hereunder for any reason shall cease to be in full force and effect as to such Guarantor or shall be judicially declared null and void as to such Guarantor;

then: (i) in every such event other than an Event of Default described in paragraph (i) above, and at any time thereafter during the continuance of such event, the Holders of at least 50% of the aggregate outstanding principal amount of the Notes may by notice to the Borrowers declare the principal amount then outstanding under the Notes held by such Holder to be forthwith due and payable in whole or in part, whereupon the principal amount so declared to be due and payable, together with the Repayment Charge calculated as if such Notes were prepaid on the date of the Default, if any, all accrued interest thereon and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document in respect of such Notes, shall become forthwith due and payable, without presentment demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrowers, anything contained herein or in any other Loan Document to the contrary notwithstanding; and (ii) in any event with respect to an Event of Default described in paragraph (i) above, the principal of the Notes then outstanding, together with the Repayment Charge calculated as if the Notes were prepaid on the date of the Default, if any, all accrued interest thereon and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrowers, anything contained herein or in any other Loan Document to the contrary notwithstanding. In the event that the Holders of at least 50% of the aggregate outstanding principal amount of the Notes have declared the principal amount then outstanding under the Notes held by such Holders to be forthwith due and payable as set forth in clause (i) above, then any other Holder may also declare the principal amount then outstanding under the Notes held by such Holder to be forthwith due and payable in whole or in part as provided in clause (i) above.

SECTION 8.2 *Waivers*. The Credit Parties waive presentment, demand, notice of dishonor, and protest, and all demands and notices of any action taken by the Holders under this Agreement, except as otherwise provided herein.

SECTION 8.3 *Enforcement Actions.* The Holders may, at their option, collect all or any portion of the Obligations or enforce against the Credit Parties any of their respective rights and remedies with respect to the Obligations including, but not limited to: (a) commencing or pursuing legal proceedings to collect any amounts owed with respect to or to otherwise enforce the Obligations; (b) executing upon, or otherwise enforcing, any judgment obtained with respect to the payment or performance of the Obligations; or (c) exercising any remedies under the Security Documents.

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SECTION 8.4 *Costs*. The Credit Parties shall pay all reasonable expenses of any nature, whether incurred in or out of court, and whether incurred before or after the Notes shall become due at their maturity date or otherwise (including, but not limited to, reasonable attorneys' fees and costs) which the Holders may reasonably incur in connection with the collection or enforcement of any of the Obligations. The Holders are authorized to pay at any time and from time to time any or all of such expenses, to add the amount of such payment to the amount of principal outstanding under the Notes, and to charge interest thereon at the rate specified in the Notes.

SECTION 8.5 *Set-off*. Subject to the Lien Subordination Agreement, upon the occurrence and during the continuance of any Event of Default, each Holder is hereby authorized at any time and from time to time without notice to any Credit Party (any such notice being expressly waived by such Credit Party) and, to the fullest extent permitted by Applicable Law, to set off and to apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys at any time held and other indebtedness at any time owing by such Holder to or for the account of such Credit Party against any and all of the obligations of the Credit Parties now or hereafter existing under this Agreement or any other agreement or instrument delivered by such Credit Party to such Holder in connection therewith, whether or not such Holder shall have made any demand hereunder or thereunder and although such obligations may be contingent or unmatured. The rights of the Holders under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which they may have. A Holder shall give the Credit Party notice of any set-off hereunder after such set-off has occurred.

SECTION 8.6 *Remedies Non-Exclusive*. None of the rights, remedies, privileges or powers of the Holders expressly provided for herein are exclusive, but each of them is cumulative with, and in addition to, every other right, remedy, privilege and power now or hereafter existing in favor of each of the Holders, whether pursuant to the other Loan Documents, at law or in equity, by statute or otherwise.

ARTICLE IX.
MISCELLANEOUS

SECTION 9.1 *Notices.* Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(a) if to the Borrowers, Opinion Research Corporation, Attention: Mr. Kevin Croke (Facsimile No. 609-419-1901); with a copy to Wolf, Block, Schorr and Solis-Cohen LLP, Attention: David Gitlin, Esq. (Facsimile No. 215-977-2334); and

(b) if to the Holders, Allied Capital Corporation, at its offices at 1919 Pennsylvania Avenue, N.W., Washington, D.C. 20006, Attention: Frank Izzo (Facsimile No. 202-659-2053); with a copy to Piper Rudnick LLP, 1200 Nineteenth Street, N.W., Washington, D.C. 20036, Attention Anthony H. Rickert (Facsimile No. 202-223-2085).

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All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given (i) two Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next Business Day delivery or (iii) on the date on which it is sent by facsimile transmission with acknowledgement of receipt at the number to which it is required to be sent in each case to the intended recipient as set forth above.

SECTION 9.2 *Survival of Agreement.* All covenants, agreements, representations and warranties made by the Credit Parties herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Holders and shall survive the making by the Holders of the investment, regardless of any investigation made by the Holders or on their behalf and shall continue in full force and effect as long as the principal of or any accrued interest on the Notes is outstanding and unpaid.

SECTION 9.3 *Binding Effect.* This Agreement shall become effective when it shall have been executed by the Parent Company, the Borrowers and the Holders, and when the Holders shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

SECTION 9.4 *Successors and Assigns.*

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Parent Company, the Borrowers or the Holders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) The Parent Company and the Borrowers shall not assign or delegate any of their rights or duties hereunder without the prior written consent of the Holders, and any attempted assignment or delegation without such consent shall be null and void. The Holders may assign or delegate any of its rights or duties hereunder or under the Notes in accordance with Section 9.19.

SECTION 9.5 *Expenses; Indemnity.*

(a) The Borrowers will pay to Allied Capital both a structuring fee of $15,909 and closing points of $50,000, and all reasonable out-of-pocket expenses incurred by the Holders in connection with the preparation and administration of this Agreement and the other Loan Documents, in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated), in connection with the enforcement or protection of its rights in relation to this Agreement and the other Loan Documents, including any suit, action, claim or other activity of the Holders to collect or otherwise enforce the Obligations or any portion thereof, or in connection with the Transaction, including, without limitation, the reasonable fees, charges and disbursements of Piper Rudnick LLP, counsel for the Holders, and, in connection with any such

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enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for the Holders.

(b) The Credit Parties, jointly and severally, agree to indemnify each Holder, and its respective directors, officers, employees and agents (each such Person being called an "*Indemnitee*") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transaction and the other transactions contemplated thereby, (ii) the use of the proceeds of the investment, (iii) any claim, litigation investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, or (iv) any actual or alleged presence or Release of Hazardous Materials on any property owned or operated by the Credit Parties, or any Environmental Claim related in any way to any Credit Party; provided that such indemnity shall not as to any Indemnitee be available to the extent it resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Notwithstanding any provision to the contrary, the provisions of this Section 9.5 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of the Notes, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Holders. All amounts due under this Section 9.5 shall be payable on written demand therefor.

SECTION 9.6 *Waiver of Consequential and Punitive Damages*. Each of the Credit Parties and the Holders hereby waive to the fullest extent permitted by Applicable Law all claims to consequential and punitive damages in any lawsuit or other legal action brought by any of them against any other of them in respect of any claim among or between any of them arising under this Agreement, the other Loan Documents, or any other agreement or agreements between or among any of them at any time, including any such agreements, whether written or oral, made or alleged to have been made at any time prior to the Closing Date, and all agreements made hereafter or otherwise, and any and all claims arising under common law or under any statute of any state or the United States of America, including any thereof in contract, tort, strict liability or otherwise, whether any such claims be now existing or hereafter arising, now known or unknown. The Holders and the Credit Parties acknowledge and agree that this waiver of claims for consequential damages and punitive damages is a material element of the consideration for this Agreement.

SECTION 9.7 *Applicable Law.* THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF MARYLAND (EXCLUDING CONFLICTS OF LAWS PROVISIONS).

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SECTION 9.8 *Waivers; Amendment.*

(a) No failure or delay of a Holder in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Holders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that it would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Credit Parties therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Credit Parties in any case shall entitle the Credit Parties to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Parent Company, the Borrowers and the Holders in accordance with Section 9.16.

SECTION 9.9 *Interest Rate Limitation.* If at any time the interest rate applicable to the Notes, together with all fees, charges, and other amounts which are treated under Applicable Law as interest thereunder (collectively the "*Charges*"), shall exceed the maximum lawful rate (the "*Maximum Rate*") which may be contracted for, charged, taken, received or reserved by the Holders holding the Notes in accordance with Applicable Law, the rate of interest payable in respect of the Notes, together with all Charges payable in respect thereof shall be limited to the Maximum Rate. If, from any circumstance whatsoever, the Holder shall ever receive anything of value deemed Charges by Applicable Law in excess of the maximum lawful amount, an amount equal to any excessive Charges shall be applied to the reduction of the principal balance owing under the Notes in the inverse order of maturity (whether or not then due) or at the option of the Holder be paid over to the Borrowers, and not to the payment of Charges. All Charges (including any amounts or payments deemed to be Charges) paid or agreed to be paid to the Holder shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal balance of the Notes so that the Charges thereof for such full period will not exceed the maximum amount permitted by Applicable Law.

SECTION 9.10 *Entire Agreement.* This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11 *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS

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AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12 *Severability.* In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any way, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13 *Counterparts.* This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract and shall become effective as provided in Section 9.3. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14 *Heading.* Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15 *Jurisdiction; Consent to Service of Process.*

(a) Each of the Credit Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Maryland State court or Federal court of the United States of America sitting in the State of Maryland, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in the State of Maryland or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement shall affect any right that the Holders may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against such Credit Party or their properties in the courts of any jurisdiction.

(b) Each of the Credit Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or

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hereafter have to the laying of venue of any suit action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any Maryland state or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by Applicable Law.

SECTION 9.16 *Consents and Approvals; Defaults.*

(a) Subject to the terms of Section 9.16(b), to the extent that (i) the terms of this Agreement or any of the other Loan Documents require any Borrower to obtain the consent or approval of the Holders, (ii) the Borrowers seek an amendment to or termination of any of the terms of this Agreement or any of the Loan Documents, or (iii) the Borrowers seek a waiver of any right granted to the Holders under this Agreement or any of the Loan Documents, such consent, approval, action, termination, amendment or waiver (each, an "*Approval*") shall be made by the Holders of Notes representing at least 50.1% of the aggregate principal amount outstanding under all of the Notes.

(b) Notwithstanding anything to the contrary contained in Section 9.16(a), the Holders shall not, without the prior written consent and approval of all of the affected Holders, amend, modify, terminate or obtain a waiver of any provision of this Agreement or any of the Loan Documents, which will have the effect of (i) reducing the principal amount of any Notes or of any payment required to be made to the Holders hereunder, or modifying the terms of a payment or prepayment thereof; (ii) reducing the Interest Rate, or extend the time for payment of interest under any Notes; or (iii) releasing the Parent Company, any Borrower, any Guarantor or other obligor from any obligation under this Agreement or any of the other Loan Documents.

(c) Each Holder agrees that, for the benefit of the other Holders, any proceeds received upon enforcement by such Holder of its rights and remedies under this Agreement, will be divided, *pro rata*, among all Holders.

SECTION 9.17 *Relationship of the Parties; Advice of Counsel.* This Agreement provides for the making of an investment by each Holder, in its capacity as a lender, in the Borrowers, in their capacity as Borrowers, and for the payment of interest and repayment of principal by the Borrowers to the Holders. The provisions herein for compliance with financial covenants, if any, and delivery of financial statements are intended solely for the benefit of the Holders to protect their interests as lenders in assuring payments of interest and repayment of principal, and nothing contained in this Agreement shall be construed as permitting or obligating the Holders to act as a financial or business advisor or consultant to the Borrowers, as permitting or obligating the Holders to control any Borrower or to conduct any Borrower' s operations, as creating any fiduciary obligation on the part of the Holders to any Borrower, or as creating any joint venture, agency or other relationship between the parties other than as explicitly and specifically stated in this Agreement. The Holders are not (and shall not be construed as) a partner, joint venturer, alter-ego, manager, controlling person, operator or other business participant of any kind of any Borrower; neither the Holders nor any Borrower intends that the

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Holders assume such status, and, accordingly, the Holders shall not be deemed responsible for (or a participant in) any acts or omissions of any Borrower or any of its partners. Each of the Holders and the Borrowers represent and warrant to the other that it has had the advice of experienced counsel of its own choosing in connection with the negotiation and execution of this Agreement and with respect to all matters contained herein.

SECTION 9.18 *Confidentiality* Each of the Holders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed: (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority; (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any permitted transferee of any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty' s or prospective counterparty' s professional advisor) to any credit derivative transaction relating to obligations of any Borrower or its Subsidiaries; (g) with the consent of the Borrowers; or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Holder on a nonconfidential basis from a source other than the Borrowers or the Parent Company *provided* that such source is not bound by a confidentiality agreement. For the purposes of this Section, "*Information*" means all information received from the Parent Company, the Borrowers or their Subsidiaries relating to the Parent Company, the Borrowers or their Subsidiaries or their respective businesses, other than any such information that is available to any Holder on a nonconfidential basis prior to disclosure by the Parent Company, the Borrowers or their respective Subsidiaries; *provided* that, in the case of information received from the Parent Company, the Borrowers or any Subsidiary after the date hereof, such information is clearly identified (in a reasonable manner) at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In any event, however, each Holder may disclose to any and all Persons without limitation of any kind, the tax treatment and tax structure of the transactions contemplated hereby and by the other Loan Documents and all materials of any kind (including opinions or other tax analyses) that are provided to the Holders relating to such tax treatment and tax structure; it being understood that this authorization is retroactively effective to the commencement of the first discussions between or among any of the parties regarding the transactions contemplated hereby and by the other Loan Documents.

SECTION 9.19 *Registration and Transfer of Notes.*

(a) The Borrowers will keep at its principal office a register in which the Borrowers will provide for the registration of the Notes and their transfer. The Borrowers may treat any Person in whose name any Note is registered on such register as the owner thereof for the purpose of receiving payment of the principal of and interest on such Note and for all other

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purposes, whether or not such Note shall be overdue, and the Borrowers shall not be affected by any notice to the contrary from any Person other than the applicable Holder. All references in this Agreement to a "Holder" of any Note shall mean the Person in whose name such Note is at the time registered on such register.

(b) Upon surrender of any Note for registration of transfer or for exchange to the Borrowers at its principal office, the Borrowers at their expense will execute and deliver in exchange therefor a new Note or Notes, as the case may be, of the same type in denominations of at least $100,000 (except a Note may be issued in a lesser principal amount if the unpaid principal amount of the surrendered Note is not evenly divisible by, or is less than, $100,000), as requested by the holder or transferee, which aggregate the unpaid principal amount of such Note, registered as such holder or transferee may request, dated so that there will be no loss of interest on such surrendered Note and otherwise of like tenor.

(c) Upon receipt of evidence reasonably satisfactory to the Borrowers of the loss, theft, destruction or mutilation of any Note and, in the case of any such loss, theft or destruction of any Note, upon delivery of an indemnity bond in such reasonable amount as the Borrowers may determine (or an unsecured indemnity agreement from the Holder reasonably satisfactory to the Borrowers), or, in the case of any such mutilation, upon the surrender of such Note for cancellation to the Borrowers at their principal office, the Borrowers at their expense will execute and deliver, in lieu thereof, a new Note of the same class and of like tenor, dated so that there will be no loss of interest on (and registered in the name of the holder of) such lost, stolen, destroyed or mutilated Note. Any Note in lieu of which any such new Note has been so executed and delivered by the Borrowers shall be deemed to be not outstanding for any purpose of this Agreement.

{Signatures next page}

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

BORROWERS:

OPINION RESEARCH CORPORATION, a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **EVP - Corporate Finance**

ORC INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **President**

MACRO INTERNATIONAL INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Asst. Secretary**

ORC PROTEL, INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Secretary**

SOCIAL AND HEALTH SERVICES, LTD., a Maryland corporation

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By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Secretary**

SIGNATURE PAGE TO LOAN AGREEMENT

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ORC HOLDINGS, LTD., an English company

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Authorized Signatory**

O.R.C. INTERNATIONAL, LTD,
an English company

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Authorized Signatory**

ALLIED CAPITAL:

ALLIED CAPITAL CORPORATION

By: /s/ FRANK IZZO

Name: **Frank Izzo**

Title: **Principal**

SIGNATURE PAGE TO LOAN AGREEMENT

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LOAN AGREEMENT

by and among

**OPINION RESEARCH CORPORATION, ORC INC.,
MACRO INTERNATIONAL INC., ORC PROTEL, INC.,
SOCIAL AND HEALTH SERVICES, LTD., ORC HOLDINGS, LTD. AND
O.R.C. INTERNATIONAL LTD.**

and

ALLIED CAPITAL CORPORATION

May 4, 2004

$12,000,000 Subordinated Notes
due May 4, 2009 of Opinion Research Corporation

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "*Agreement*") is made as of May 4, 2004 by and among: (i) Opinion Research Corporation, a Delaware corporation, ORC, Inc., a Delaware corporation, Macro International Inc., a Delaware corporation, ORC ProTel, Inc., a Delaware corporation, Social and Health Services, Ltd., a Maryland corporation, ORC Holdings, Ltd., an English company, O.R.C. International Ltd., an English company and each other Person hereafter joining this Agreement as a "Borrower" (individually, a "*Borrower*" and collectively, the "*Borrowers*"), (ii) Allied Capital Corporation, a Maryland corporation ("*Allied Capital*").

RECITALS:

A. The Borrowers have requested that Allied Capital invest in the Borrowers the aggregate sum of Twelve Million Dollars ($12,000,000) in exchange for the Notes. Allied Capital is willing to make such investment in the Borrowers on the terms and conditions set forth herein.

B. The parties wish to set forth herein their understandings and agreements pertaining to this transaction.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allied Capital and its successors and assigns with respect to their interest in all or any part of any of the Notes (as hereinafter defined) (individually, a "*Holder*" and collectively, the "*Holders*"), the Borrowers hereby agree as follows:

ARTICLE I.
DEFINITIONS

SECTION 1.1 *Defined Term s.* As used in this Agreement, the following terms have the meanings specified below:

"*Act of Bankruptcy,*" when used in reference to any Person, means the occurrence of any of the following with respect to such Person: (a) such Person shall have made an assignment for the benefit of his or its creditors; (b) such Person shall have admitted in writing his or its inability to pay his or its debts as they become due; (c) such Person shall have filed a voluntary petition in bankruptcy; (d) such Person shall have been adjudicated bankrupt or insolvent; (e) such Person shall have filed any petition or answer seeking for himself or itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Applicable Law pertinent to such circumstances; (f) such Person shall have filed or shall file any answer admitting or not contesting the material allegations of a bankruptcy, insolvency or similar petition filed against such Person; (g) such Person shall have sought or consented to, or acquiesced in, the appointment of any trustee, receiver, or liquidator of such

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Person or of all or any substantial part of the properties of such Person; (h) 60 days shall have elapsed after the commencement of an action against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Applicable Law without such action having been dismissed or without all orders or proceedings thereunder affecting the operations or the business of such Person having been stayed, or if a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed; or (i) 60 days shall have expired after the appointment, without the consent or acquiescence of such Person of any trustee, receiver or liquidator of such Person or of all or any substantial part of the assets and properties of such Person without such appointment having been vacated.

"*Act of Dissolution,*" when used in reference to any Person (other than an individual), shall mean the occurrence of any action initiating, or any event that results in, the dissolution, liquidation, winding-up or termination of such Person.

"*Affiliate*" means, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, is related to, affiliated with, Controls or is Controlled by or is under common Control with the Person specified or any of its affiliates.

"*Applicable Law(s)*" when used in the singular, shall mean any applicable Federal, state, foreign or local law, ordinance, order, regulation, rule or requirement of any governmental or quasi-governmental agency, instrumentality, board, commission, bureau or other authority having jurisdiction, and, when used in the plural, shall mean all such applicable Federal, state, foreign and local laws, ordinances, orders, regulations, rules and requirements.

"*Approval*" has the meaning specified in Section 9.16(a).

"*Approved International Organization*" means any of the international multilateral organizations listed on Schedule A hereto, or any other international multilateral organization deemed acceptable by the Senior Lender from time to time, in its sole and absolute discretion.

"*Asset Coverage Ratio*" shall have the meaning specified in Section 6.12(b).

"*Asset Disposition*" means any sale, lease (other than operating leases entered into in the ordinary course of business), transfer or other disposition (or series of related sales, leases, transfers or dispositions) by a Person or any of its Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition") of any assets, including any shares of Capital Stock of a Subsidiary, but excluding: (i) dispositions by a Borrower to another Borrower in which the Holders continue to have a perfected second priority security interest in and to all such assets constituting Collateral (after giving effect to such disposition), subject to Permitted Liens and (ii) dispositions to non-Borrowers consummated in the ordinary course of the Borrowers' Business, provided that the fair market value of any and all such asset dispositions does not exceed $500,000, in the aggregate, in any 12 month period.

"*Audited Financials*" has the meaning specified in Section 4.6(a).

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"*Borrower's Business*" means the business of primary research and consulting and telemarketing and related services and other businesses reasonably related to or compatible with such business.

"*Business Day*" means any day other than a Saturday, Sunday or day on which banks in Washington, D.C. are authorized or required by Applicable Law to close.

"*Capital Stock*" of any Person means any and all shares, interests, participation or other equivalents (however designated) of capital stock of such Person (if such Person is a corporation), any and all equivalent ownership interests in such Person (if such Person is other than a corporation), any securities convertible into or exchangeable for any of the foregoing and any and all warrants, options or other rights to purchase any of the foregoing.

"*Carryover Year*" has the meaning specified in Section 6.12(d).

"*Cash Equivalents*" means: (a) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof having maturities of not more than 90 days from the date of acquisition; (b) time deposits, certificates of deposit and banker's acceptances of any domestic commercial bank having capital and surplus in excess of $200,000,000 having maturities of not more than 90 days from the date of acquisition; (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a) and entered into with any bank meeting the qualifications specified in clause (b) above; (d) commercial paper having, at the time of acquisition thereof, the highest credit rating obtainable from Standard & Poor's Ratings Services or Moody's Investors Service, Inc. and maturing within ninety days after the date of acquisition; and (e) money market funds which invest at least 90% of their assets continually in the types of securities or instruments described in clauses (a), (b), (c) and (d) above, in each case, which can be liquidated without financial penalty.

"*CERCLA*" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time.

"*Change of Control*" means one or more transactions resulting in: (a) a sale, assignment, lease or transfer of all or a material portion of the assets of the Parent Company and its Subsidiaries; (b) one or more Persons (other than the shareholders of the Parent Company that are existing as of the date hereof) either (i) owning in the aggregate in excess of 50% of the then outstanding Capital Stock of the Parent Company or (ii) being able to elect a majority of the board of directors of the Parent Company; or (c) each Credit Party shall cease to own 100% of the Capital Stock of its Subsidiaries, free and clear of all Liens, rights, options, warrants or other similar agreements or understandings other than Permitted Liens.

"*Charges*" has the meaning specified in Section 9.9.

"*Closing*" means the consummation of the Transaction.

"*Closing Date*" means the date of this Agreement.

"*Code*" means the Internal Revenue Code of 1986 and the regulations thereunder, as amended or otherwise modified from time to time.

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"*Collateral*" means all of the collateral covered by the Stock Pledge Agreement.

"*Contribution Agreement*" shall mean the Contribution Agreement of even date herewith, by and among the Borrowers, and delivered by the Borrowers prior to or simultaneously with their execution and delivery of this Agreement, together with all amendments and modifications thereof hereafter executed and delivered by the Borrowers and approved by the Holders.

"*Control*" means, without limitation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "*Controlling*" and "*Controlled*" have meanings correlative thereto.

"*Covered Financing*" means the issuance of any Indebtedness of any Credit Party that is subordinated to the Senior Debt. "*Covered Financing*" shall exclude any financing the sole purpose of which is to refinance repay or redeem the Notes.

"*Credit Parties*" means, collectively, the Borrowers and the Guarantors; and "*Credit Party*" means each of the Borrowers or the Guarantors.

"*Default*" means any event or condition that upon notice, lapse of time or both would constitute an Event of Default.

"*Default Interest*" shall have the meaning specified in Section 2.6.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (b) is convertible or exchangeable for Indebtedness or Disqualified Stock or (c) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the first anniversary of the stated maturity of the Notes.

"*Dollars*" *or* "$" means lawful money of the United States of America.

"*EBITDA*" means, as of the date of any determination, the Net Income of the Parent Company and its Subsidiaries, plus interest expense, plus taxes, plus depreciation expense, plus amortization expense, plus any non-cash, non-recurring charges against income approved in writing by the Holders minus any non-cash gain (to the extent included in determining Net Income) minus any dividends paid in accordance with Section 7.6(a) of this Agreement that have not been considered in determining Net Income, all as determined on a rolling four (4) quarter consolidated basis in accordance with GAAP. Additionally, any transaction costs incurred on or before the Closing Date for the closing of the Senior Credit Facility, the Term B Facility and the transactions contemplated in the Loan Documents in an aggregate amount not to exceed $3,681,867 and any prepayment penalties or other costs related to refinancing the Borrowers' existing bank debt, as appears on Schedule 6.12(a) (without duplication), may be added back to Net Income in calculating EBITDA.

"*Environmental Claim*" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, any

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Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including, without limitation, (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"*Environmental Law*" means any Federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, the effect of the environment on human health and safety, or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"*Environmental Permit*" means any permit, approval, identification number, license or other authorization required under any Environmental Law to operate any Borrower' s Business.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"*ERISA Affiliate*" means any Person required at any relevant time to be aggregated with the Parent Company or any of its Subsidiaries under Sections 414(b), (c), (m) or (o) of the Code.

"*ERISA Event*" means any of the following with respect to a Plan or Multiemployer Plan, as applicable: (a) a Reportable Event with respect to a Plan or a Multiemployer Plan; (b) a complete or partial withdrawal by the Parent Company or any ERISA Affiliate from a Multiemployer Plan that results in liability under Section 4201 or 4204 of ERISA, or the receipt by the Parent Company or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA; (c) the distribution by the Parent Company or any ERISA Affiliate under Section 4041 or 4041A of ERISA of a notice of intent to terminate any Plan or the taking of any action to terminate any Plan; (d) the commencement of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Parent Company or any ERISA Affiliate of a notice from any Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; (e) the institution of a proceeding by any fiduciary of any Multiemployer Plan against the Parent Company or any ERISA Affiliate to enforce Section 515 of ERISA, which is not dismissed within 30 days; (f) the imposition upon the Parent Company or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, or the imposition or threatened imposition of any Lien upon any assets of the Parent Company or any ERISA Affiliate as a result of any alleged failure to comply with the Code or ERISA in respect of any Plan; (g) the engaging in or otherwise becoming liable for a nonexempt Prohibited Transaction by the Parent Company or any ERISA Affiliate; (h) a violation of the applicable requirements of Section 404 or 405 of ERISA or the exclusive benefit rule under Section 401(a) of the Code by any fiduciary of any Plan for which the Parent Company or any ERISA Affiliate may be directly or indirectly liable; or (i) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of

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the trust of which such Plan is a part if the Parent Company or any ERISA Affiliate fails to timely provide security to such Plan in accordance with the provisions of such sections.

"*Events of Default*" has the meaning specified in Article VIII.

"*Financial Officer*" of any corporation or other entity means the chief financial officer, treasurer or chief executive officer of such corporation or entity.

"*Financials*" means, collectively, the Audited Financials and the Interim Financials, as defined in Section 4.6.

"*Financing Statements*" means the UCC-1 financing statements dates as of the date hereof by the Credit Parties in favor of the Holders and evidencing the Holders' second lien on the assets of Borrowers.

"*Fixed Charges Ratio*" has the meaning specified in Section 6.12(a).

"*Foreign Subsidiary*" means a Subsidiary that is organized under the laws of a jurisdiction other than the United States or any State thereof or the District of Columbia.

"*GAAP*" means generally accepted accounting principles, consistently applied, for the period or periods in question.

"*Government*" means the United States government, any state government, any local government, any department, instrumentality or agency of the United States government, any state government or any local government, or any Approved International Organization.

"*Government Contract*" and "*Government Contracts*" means, individually or collectively, as the context may require, (i) written contracts between any Credit Party and the Government; and (ii) written subcontracts between any Credit Party and a Prime Contractor who is providing goods or services to the Government pursuant to a written contract with the Government (a "*Government Subcontract*"), provided that the subcontract relates only to goods or services being provided to the Government pursuant to a Government Subcontract.

"*Government Subcontract*" has the meaning set forth in the definition of "*Government Contract*".

"*Governmental Authority(ies)*" means any Federal, state, local, quasi-governmental instrumentality or foreign court, or governmental agency, authority, instrumentality, agency, bureau, commission, department or regulatory body.

"*Guarantee Obligation*" of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect: (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or advance or supply funds for the purchase of) any security for the payment of such Indebtedness; (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness; or (c) to maintain working capital,

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equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; *provided* that the term "Guarantee Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The word "Guarantee" when used as a verb shall have the correlative meaning.

"*Guarantor*" means each entity that becomes a Guarantor under the Guaranty Agreement.

"*Guaranty Agreement*" means the Guaranty Agreement to be entered into in accordance with the terms of this Agreement in favor of the Holders, as amended, supplemented, or otherwise modified from time to time, all in form and substance satisfactory to the Holders.

"*Hazardous Materials*" means (a) hydrocarbon gases, propane, petroleum and petroleum products (including their by-products and breakdown products), radioactive materials, asbestos-containing materials, polychlorinated biphenyls, lead paint, mold or other microbial contamination and radon gas, and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"*Holder*" and "*Holders*" have the meaning *provided* above in the introduction to this Agreement.

"*Indebtedness*" means, without duplication: (a) all obligations of the Borrowers in respect of money borrowed; (b) all obligations of the Borrowers (other than trade debt incurred in the ordinary course of business that are not past due), whether or not for borrowed money, (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered; (c) capital lease obligations of the Borrowers; (d) all obligations of the Borrowers to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatorily redeemable stock issued by any Borrowers, valued at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (e) each Borrower' s pro rata share of the Indebtedness of any unconsolidated affiliate of such Borrower (including Indebtedness of any partnership or joint venture in which such Borrower is a general partner or joint venturer to the extent of such Borrower' s pro rata share of the ownership of such partnership or joint venture); (f) all obligations of any other person or entity which any Borrower has guaranteed or which are secured by any lien on property owned by any Borrower, and (g) reimbursement obligations in connection with letters of credit issued for the benefit of any Borrower.

"*Indemnitee*" has the meaning in Section 9.5(b).

"*Intellectual Property*" means, collectively, all of each Borrower' s and each of their respective Subsidiaries' now owned and hereafter acquired intellectual property, including, without limitation the following: (a) all patents (including all rights corresponding thereto throughout the world, and all improvements thereon); (b) all trademarks (including service marks, trade names and trade secrets, and all goodwill associated therewith); (c) all copyrights (including all renewals, extensions and continuations thereof); (d) all applications for patents,

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trademarks or copyrights and all applications otherwise relating in any way to the subject matter of such patents, copyrights and trademarks; (e) all patents, copyrights, trademarks or applications therefor arising after the date of this Agreement; (f) all domain names and licenses; (g) all reissues, continuations, continuations-in-part and divisions of the property described in the preceding clauses (a), (b), (c), (d), (e) and (f), including, without limitation, any claims by the Parent Company or its Subsidiaries against third parties for infringement thereof; and (h) all rights to sue for past, present and future infringements or violations of any such patents, trademarks, copyrights and licenses.

"*Interest*" means any ownership or profit sharing interest (however designated) in any general or limited partnership, trust, limited liability company, private company or joint venture, and all agreements, instruments and documents convertible, in whole or in part, into any one or more of the foregoing.

"*Interest Rate*" means a fixed rate of interest as set forth in, and payable in accordance with the terms of, the Notes.

"*Interim Financials*" has the meaning in Section 4.6.

"*Investments*" means, collectively, the ownership or purchase of any Capital Stock or evidence of Indebtedness, Interest in or other security of another Person or any loan, advance, contribution to capital, extension of credit (except for current trade and customer accounts receivable for assets sold or services rendered in the ordinary course of business and payable in accordance with customary trade terms) to another Person (including any joint venture) or any commitment or option to acquire any of the foregoing.

"*Leases*" has the meaning specified in Section 4.11(b).

"*Leverage Ratio*" shall have the meaning specified in Section 6.12(c).

"*Licenses*" shall mean, collectively, all rights, licenses, permits and authorizations now or hereafter issued by any Governmental Authority reasonably necessary in connection with the operation or conduct of each Borrower' s Business.

"*Lien*" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"*Litigation Schedule*" has the meaning specified in Section 4.11(a).

"*Loan Documents*" means, collectively, this Agreement, the Notes, the Term B Facility Subordination Agreement, the Subordination Agreement, the Guaranty Agreement, if any, the Contribution Agreement, the Stock Pledge Agreement, the Warrant Amendment and all other instruments and documents executed and delivered in connection therewith.

"*Material Adverse Effect*" means a material adverse change in or material adverse effect on: (a) the business, property, profit or condition, financial or otherwise, of any Credit Party; (b) the ability of any Credit Party to perform any of its obligations under any Loan Document; (c)

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the validity or enforceability of any Loan Document or the rights and remedies of or benefits available to the Holders under any Loan Document; or (d) the consummation of any transactions contemplated hereby or thereby.

"*Material Contract*" means any and all contracts or agreements to which a Credit Party is a party and pursuant to which a Credit Party is or may be (a) entitled to receive payments in excess of $1,000,000, in the aggregate, per annum or (b) obligated to make payments or have any other obligations or liability thereunder (direct or contingent) in excess of $500,000, in the aggregate, per annum.

"*Maturity Date*" means May __, 2009.

"*Maximum Rate*" has the meaning specified in Section 9.9.

"*Multiemployer Plan*" shall mean any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which the Parent Company or any ERISA Affiliate makes, is making or is obligated to make contributions or has made or been obligated to make contributions.

"*Net Income*" means, for any period, the sum of consolidated gross revenues of the Parent Company and its Subsidiaries for such period, minus all consolidated operating and non-operating expenses (including taxes) of the Parent Company and its Subsidiaries for such period, all as determined in accordance with GAAP without duplication, excluding, however, (a) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with (i) any Asset Disposition (including, without limitation, dispositions pursuant to sale and leaseback transactions) or (ii) the disposition of any securities by the Parent Company or any of its Subsidiaries or the extinguishment of any Indebtedness of the Parent Company or any of its Subsidiaries and (b) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

"*New Lending Office*" has the meaning specified in Section 2.9(e).

"*Non-Borrower Subsidiaries*" means, collectively, ORC Korea, Ltd., ORC Teleservices, Opinion Research Corporation, S.A. de C.V., ORC International Holdings, Ltd. and ORC Telecommunications Ltd.

"*Non-U.S. Lender*" has the meaning specified in Section 2.9(e).

"*Notes*" means the subordinated notes dated as of the date hereof in the aggregate principal amount of $12,000,000 from the Borrowers made payable severally to the Holders and evidencing the Borrowers' repayment obligation for the loan by the Holders to the Borrowers described in Section 2.1, together with all other notes accepted from time to time in substitution, renewal or replacement for all or any part thereof including pursuant to Section 9.19.

"*Obligations*" means all indebtedness, advances pursuant to this Agreement or otherwise, debts, liabilities and obligations, for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by the Credit Parties to the Holders, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or

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not evidenced by any note, agreement or other instrument, in each case arising under this Agreement or any of the other Loan Documents. The term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding in bankruptcy after the insolvency of, or for the reorganization of any Credit Parties, whether or not allowed in such proceeding), any premiums, penalties or charges imposed in connection with the prepayment of the Notes, fees, charges, expenses, attorneys' fees, and any other sum chargeable to the Credit Parties under this Agreement or any other Loan Document.

"*Other Taxes*" has the meaning specified in Section 2.9(b).

"*Parent Company*" means Opinion Research Corporation, a Delaware corporation and its successors and assigns.

"*Permitted Indebtedness*" has the meaning specified in Section 7.1.

"*Permitted Lien*" has the meaning specified in Section 7.2.

"*Person*" means any natural person, corporation, business trust, limited liability company, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

"*PIK Amount*" shall have the meaning set forth in the Notes.

"*Plan*" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 307 of ERISA, and in respect of which the Parent Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"*Prime Contractor*" means any person or entity (other than a Credit Party) which is a party to a Government Subcontract.

"*Prohibited Transaction*" means a prohibited transaction as defined in Section 406 of ERISA or Section 4975 of the Code.

"*Property*" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"*Real Property*" means, collectively, all real property owned by any Credit Party or its Subsidiaries or in which any Credit Party or its Subsidiaries has a leasehold interest and all real property hereafter acquired by any Credit Party or its Subsidiaries in fee or by means of a leasehold interest, including all real property on which each Borrower's Business is now or hereafter conducted, together with all goods located on any such real property that are or may become "fixtures" under the law of the jurisdiction in which such real property is located.

"*Release*" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the environment.

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"*Remedial Action*" means (a) "remedial action" as such term is defined in CERCLA, 42 U.S.C. Section 9601(24), and (b) all other actions required by any Governmental Authority or voluntarily undertaken to: (i) cleanup, remove, treat, abate or in any other way address any Hazardous Material in the environment; (ii) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not migrate or endanger or threaten to endanger public health, welfare or the environment; or (iii) perform studies and investigations in connection with, or as a precondition to, (i) or (ii) above.

"*Repayment Charge*" means the amount payable as a repayment charge, if any, calculated in accordance with Section 2.6 of this Agreement.

"*Reportable Event*" means: (a) any "reportable event" within the meaning of Section 4043(c) of ERISA for which the 30-day notice under Section 4043(a) of ERISA has not been waived by the PBGC (including any failure to meet the minimum funding standard of, or timely make any required installment under, Section 412 of the Code or Section 302 of ERISA, regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); (b) any such "reportable event" subject to advance notice to the PBGC under Section 4043(b)(3) of ERISA; (c) any application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code; and (d) a cessation of operations described in Section 4062(e) of ERISA.

"*Responsible Officer*" of any corporation means its president, any executive officer or a Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Senior Credit Agent*" means Citizens Bank of Pennsylvania, as agent for the Senior Creditor under the Senior Credit Facility and any other agent or administrative agent or other person performing similar administrative functions including all successors and assigns of any such agent.

"*Senior Credit Facility*" means the Business Loan and Security Agreement dated as of the date hereof, by and among the Credit Parties, the Senior Credit Agent and the Senior Creditor and the lender parties thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time and any agreement refinancing all or any of the debt or commitments thereunder, but only in each case to the extent the Indebtedness thereunder continues to constitute Senior Debt as provided in the definition thereof.

"*Senior Creditor*" means collectively, the lenders who are or become parties as lender to the Senior Credit Facility.

"*Senior Debt*" means all of the following: (a) the aggregate principal indebtedness advanced from time to time under the Senior Credit Facility and the Term B Facility up to a maximum aggregate principal indebtedness that shall not exceed $45,000,000 as reduced from time to time by all payments and prepayments of principal outstanding thereunder to the extent that amounts so paid cannot be reborrowed plus $5,000,000; (b) all interest accrued and accruing on the aggregate principal outstanding under the Senior Credit Facility and the Term B Facility

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from time to time; (c) all other reasonable fees or monetary obligations owed under the Senior Credit Facility and the Term B Facility; and (d) all reasonable costs incurred by the Senior Lenders under the Senior Credit Facility and the Term B Facility in commencing or pursuing any enforcement action(s) with respect to the amounts described in clauses (a) through (c), including attorneys' fees and disbursements. "Senior Debt" shall also include all amendments, modifications and refinancings of the foregoing, provided such amendments, modifications or refinancings do not (i) change the basis on which the interest rate is determined, unless expressly set forth in the Senior Credit Facility as in effect on the date hereof or increase the maximum interest rate margin payable on any component thereof by more than 3% over the interest rate margin applicable thereto on the date hereof, (ii) change the maturity date of any component thereof to an earlier date, (iii) extend the final maturity of the Senior Debt by more than two years or (iv) include additional financial covenants or events of default or amend any of the financial covenants or events of default set forth in the Senior Credit Facility or the Term B Facility to render them more restrictive; provided that, after the third anniversary of the date hereof, such Senior Credit Facility or Term B Facility, as applicable, may be amended to include (A) the financial covenants set forth in Section 6.12 hereof at levels which are no more than 11% more restrictive than the covenants set forth in Section 6.12 hereof and (B) events of default that are not materially more restrictive than the events of default set forth in the Senior Credit Facility as in effect on the date hereof.

"*Senior Debt Documents*" means the Senior Facility and the Term B Facility and all notes, debentures, collateral and security documents, guarantees, and other documents delivered at any time in connection with the Senior Facility and the Term B Facility, all as amended, supplemented, restated or otherwise modified, extended, renewed, refunded, refinanced, restructured or replaced from time to time in accordance with its respective terms, and including, without limitation, any agreement or agreements adding or deleting borrowers or guarantors thereunder.

"*Senior Lenders*" means, collectively, the Senior Creditors and the Term B Lenders.

"*Solvent*" means, as used to describe any Credit Party, that such Credit Party (a) owns assets (including, without limitation, the Credit Party's rights under the Contribution Agreement) whose fair saleable value is greater than the amount required to pay all of such Person's Indebtedness (including contingent debts), (b) is able to pay all of its Indebtedness as such Indebtedness matures and (c) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage.

"*Stock Pledge Agreement*" means the stock pledge agreement dated as of the date hereof, executed by the Borrowers or any other Credit Party (and executed by any third party whose signature is necessary) to secure the Obligations, in each case as the same may be amended, supplemented or otherwise modified from time to time, and all other instruments and documents executed and delivered in connection therewith.

"*Subordination Agreement*" means the Subordination Agreement, dated as of the date hereof, by and among the Credit Parties, the Holders and the Senior Credit Agent on behalf of the Senior Creditor, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

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"*Subsidiary*" means, with respect to any Person, any corporation, partnership, association or other business entity: (a) of which securities or other ownership interests representing more than 50% of the equity having ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held; or (b) that is, at the time any determination is made, otherwise Controlled, by such Person.

"*Taxes*" has the meaning specified in Section 2.9(a).

"*Term B Facility*" means the Loan Agreement dated as of the date hereof by and among the Credit Parties and the Term B Lenders, as the same may be amended, supplemented or otherwise modified from time to time and any agreement refinancing all of any of the debt or commitments thereunder.

"*Term B Facility Subordination Agreement*" means the Subordination Agreement, dated as of the date hereof, by and among the Credit Parties, the Holders and the Term B Lenders, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"*Term B Lenders*" means collectively, the lenders who are or become parties to the Term B Facility and are deemed "Holders" thereunder.

"*Transaction*" has the meaning specified in Section 4.2.

"*Total Debt*" means the actual amount of borrowed money (including, without limitation, any Senior Debt, subordinated debt, capital leases and synthetic leases that remain unpaid or outstanding on the "as of" date of any determination), plus the aggregate amount of any and all financial guarantees and the face amount of any and all outstanding letters of credit (except that outstanding loans under the Senior Debt will be the 30 day average balance of the Senior Debt for the 30 day period immediately preceding the "as of" date of the calculation).

"*Transfer*" means the sale, assignment, lease, transfer, mortgaging, encumbering or other disposition, whether voluntary or involuntary, and whether or not consideration is received therefor.

"*UK Borrowers*" means ORC Holdings, Ltd., an English company, and O.R.C. International Ltd., an English company.

"*Warrant Amendment*" shall mean (i) that certain Amendment to Common Stock Purchase Warrant No. A-1 and (ii) that certain Amendment to Common Stock Purchase Warrant A-2, each dated as of the date hereof, amending those certain warrants dated as of May 26, 1999 to purchase an aggregate of 437,028 shares of Common Stock of the Parent Company.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person of which securities (except for directors' qualifying shares) or other ownership interests representing 100% of the equity or 100% of the ordinary voting power or 100% of the general partnership interests are, at the time any determination is being made, owned, controlled or held by such Person or one or more wholly-owned subsidiaries of such Person or by such Person and one or more wholly-owned subsidiaries of such Person.

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"*Withdrawal Liability*" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

SECTION 1.2 *Terms Generally*. The definitions in Section 1.1 apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, Exhibits and Schedules are deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document means such document as amended, restated, supplemented or otherwise modified from time to time and (b) all terms of an accounting or financial nature are construed in accordance with GAAP, as in effect from time to time; provided that, if any change in GAAP results in a change in the calculation of the financial covenants or interpretation of the related provisions of this Agreement or any other Loan Document, then the Credit Parties and the Holders of at least a majority of the aggregate outstanding principal amount of the Notes agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating the Credit Parties' financial condition shall be the same after such change in GAAP as if such change had not been made.

ARTICLE II.
THE INVESTMENT

SECTION 2.1 *Funding.* At the Closing, the Borrowers will borrow, and Allied Capital will lend to the Borrowers, the aggregate sum of $12,000,000. All such indebtedness shall be evidenced by, and is to be repaid according to the terms of, one or more Notes. The entire principal sum will be advanced at Closing.

SECTION 2.2 *Senior Debt.* The Holders' rights under the Notes and this Agreement are subordinate as to right of payment only to the Senior Debt pursuant to the Subordination Agreement and the Term B Facility Subordination Agreement.

SECTION 2.3 *Repayment of Notes.* Subject to Section 2.7, all unpaid principal amounts and accrued and unpaid interest under the Notes, and all other Obligations of the Borrowers to the Holders due and owing hereunder shall be paid upon the earliest of (a) the date of acceleration of the Notes pursuant to Article VIII, (b) the date of redemption pursuant to Section 2.6 or 2.7 and (c) the Maturity Date, in immediately available Dollars, without set-off, defense or counterclaim.

SECTION 2.4 *Interest on the Notes.* Subject to the provisions of Section 2.5, the Notes shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at the Interest Rate, payable in accordance with the Notes.

SECTION 2.5 *Default Interest.* If any Event of Default exists, whether or not such default is declared, the Borrowers shall pay interest ("*Default Interest*"), to the extent permitted

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by Applicable Law, on amounts due under the Notes so long as such Event of Default is continuing (after as well as before judgment) at the Interest Rate plus 2%.

SECTION 2.6 *Prepayment.* The Borrowers may at any time and from time to time prepay the Notes, in whole or in part, upon at least 5 days but no more than 60 days prior written or facsimile notice (or telephone notice promptly confirmed by written or facsimile notice) to the Holders before 1:00 p.m., Washington, D.C. time, subject to the Borrowers' obligation to pay a repayment charge (the "*Repayment Charge*") of 3% of any principal prepaid (including any PIK Amount) prior to and including the first anniversary of the Closing Date, a Repayment Charge of 2% of any principal prepaid (including any PIK Amount) after the first anniversary of the Closing but prior to and including the second anniversary of the Closing Date, a Repayment Charge of 1% of any principal prepaid (including any PIK Amount) after the second anniversary of the Closing but prior to and including the third anniversary of the Closing Date and no Repayment Charge after the third anniversary of the Closing Date. Any partial prepayments shall be made in increments of $500,000 and shall be applied *pro rata* to amounts outstanding under the Notes. On the date of prepayment, the Borrowers shall pay to the holders of the Notes being prepaid pursuant to this Section, the price specified above, by wire transfer of immediately available funds to an account designated by such Holder. Concurrently therewith, each Holder of Notes being prepaid in full shall deliver to the Borrowers the original copy of its Note or an affidavit of loss thereof in a form that is reasonably satisfactory to the Borrowers. Any offer made by the Borrowers pursuant to this Section 2.6 shall be irrevocable so long as the specified conditions are met.

SECTION 2.7 *Mandatory Prepayment of the Notes.*

(a) The Borrowers' obligations under the Notes and this Agreement are not assumable.

(b) Upon a Change of Control, each Holder shall have the right (but not the obligation) to require the Borrowers to: (i) prepay all or any portion of the Notes held by such Holder for an amount equal to the then outstanding principal balance, all accrued but unpaid interest thereon, plus all PIK Amounts and all applicable Repayment Charges calculated in accordance with Section 2.6, and (ii) pay in full all or any portion of the other Obligations owing to such Holder, which amount shall be calculated on the date of prepayment and be payable in cash on such date.

(c) On the date of prepayment, the Borrowers shall pay to the Holders of the Notes being prepaid pursuant to this Section, the price specified above, by wire transfer of immediately available funds to an account designated by such Holder. Concurrently therewith, each Holder of Notes being prepaid shall deliver to the Borrowers the original copy of its Note or an affidavit of loss thereof in a form that is reasonably satisfactory to the Borrowers.

SECTION 2.8 *Payments.*

(a) The Borrowers shall make each payment (including principal of or interest on the Notes or other amounts) hereunder and under any other Loan Document not later than 1:00 P.M., Washington, D.C. time, on the date when due in immediately available Dollars, without setoff, defense or counterclaim. Each such payment shall be made to each Holder

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pursuant to the wire transfer instructions set forth on Annex I hereto, or pursuant to such other written instructions from such Holder to the Borrowers.

(b) Whenever any payment (including principal of or interest on the Notes or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest.

SECTION 2.9 *Taxes*.

(a) Any and all payments by or on behalf of any Borrower hereunder and under any Loan Document shall be made, in accordance with Section 2.8, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding* (i) income taxes imposed on the net income or receipts of a Holder *and* (ii) franchise taxes imposed on the net income of a Holder, in each case by the jurisdiction under the laws of which such Holder is organized or qualified to do business or a jurisdiction or any political subdivision thereof in which the Holder engages in business activity other than activity arising solely from the Holder having executed this Agreement and having enjoyed its rights and performed its obligations under this Agreement or any Loan Document or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, being called "*Taxes*"). In the event that any withholding or deduction from any payment to be made by the Borrowers hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrowers will: (A) pay directly to the relevant Governmental Authority the full amount required to be withheld or deducted; (B) promptly forward to the Holders an official receipt or other documentation satisfactory to the Holders evidencing such payment to such authority; and (C) pay to the Holders such additional amount or amounts as is necessary to ensure that the net amount actually received by the Holders will equal the full amount the Holders would have received had no such withholding or deduction been required. Moreover, if any Taxes are directly asserted against a Holder with respect to any payment received by such Holder hereunder, such Holder may pay such Taxes and the Borrowers will promptly pay such additional amount (including any penalties, interest or expenses) as is necessary in order that the net amount received by such Holder after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such holder would have received had such Taxes not been asserted.

(b) In addition, each Borrower will pay to the relevant Governmental Authority in accordance with Applicable Law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under any Loan Document, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any Loan Document ("*Other Taxes*").

(c) Subject to Section 2.9(f) below, each Borrower agrees to indemnify each Holder for the full amount of Taxes and Other Taxes paid by such Holder and any liability (including penalties, interest and expenses (including reasonable attorney' s fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the

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amount of such payment or liability prepared by such Holder absent manifest error, shall be final conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date such Holder makes written demand therefor. Each Borrower shall have the right to receive that portion of any refund of any Taxes and Other Taxes received by a Holder for which the Borrowers has previously paid any additional amount or indemnified such Holder and which leaves the Holder, after the Borrowers' receipt thereof, in no better or worse financial position than if no such Taxes or Other Taxes had been imposed or additional amounts or indemnification paid to the Holder. The Holder shall have sole discretion as to whether (and shall in no event be obligated) to make any such claim for any refund of any Taxes or Other Taxes.

(d) As soon as practicable (and in any event within 60 days) after the date of any payment of Taxes or Other Taxes by any Borrower to the relevant Governmental Authority, the Borrowers will deliver to each Holder, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(e) Any transferee of the Holders, with respect to the investment, if organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "*Non-U.S. Lender*") shall deliver, to the extent legally able to do so, to each Borrower two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI or other applicable form, or, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10% shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of any Borrower and is not a controlled foreign corporation receiving interest from a related person (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming exemption from U.S. Federal withholding tax on payments by the Borrowers under this Agreement and the Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement and on or before the date, if any, such Non-U.S. Lender changes its applicable lending office by designating a different lending office (a "*New Lending Office*"). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Notwithstanding the foregoing, no Non-U.S. Lender shall be required to deliver any form pursuant to this paragraph (e) that such Non-U.S. Lender is not legally able to deliver.

(f) No Borrower shall be required to indemnify any Non-U.S. Lender or to pay any additional amounts to any Non-U.S. Lender, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Lender became a party to this Agreement or, with respect to payments to a New Lending Office, the date such Non-U.S. Lender designated such New Lending Office with respect to the Notes; *provided, however,* that this paragraph (f) shall not apply to (x) any Non-U.S. Lender as a result of an assignment, participation, transfer or designation made at the request of any Borrower and (y) to the extent the indemnity payment or additional amounts any Holder would be entitled to receive (without regard to this paragraph (f)) do not exceed the indemnity payment or additional amounts that the Person making the assignment, participation or transfer to such Holder would have been entitled to receive in the absence of such assignment,

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participation, transfer or designation, or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Lender to comply with the provisions of paragraph (e) above or (iii) such Non-U.S. Lender is treated as a "conduit entity" within the meaning of U.S. Treasury Regulations Section 1.881-3 or any successor provision.

(g) Nothing contained in this Section 2.9 shall require a Holder to make available any of its tax returns (or any other information that it reasonably deems to be confidential or proprietary).

SECTION 2.10 *Use of Proceeds.* The Borrowers shall use the proceeds of the investment by Allied Capital for the following purposes: (a) to pay certain transaction expenses and for working capital or general corporate purposes of the Borrowers and (b) to refinance certain existing Indebtedness of the Borrowers.

SECTION 2.11 *Appointment of the Parent Company*. Each Borrower acknowledges that (i) Allied Capital has agreed to extend credit to each of the Borrowers on an integrated basis for the purposes herein set forth; (ii) it is receiving direct and/or indirect benefits from each such extension of credit; and (iii) the obligations of the "Borrower" or "Borrowers" under this Agreement are the joint and several obligations of each Borrower. To facilitate the administration of the loan hereunder, each Borrower hereby irrevocably appoints the Parent Company as its true and lawful agent and attorney-in-fact with full power and authority to execute, deliver and acknowledge on such Borrower' s behalf, all Loan Documents or other materials provided or to be provided to any Holder pursuant to this Agreement or in connection with the Loan Document. This power-of-attorney is coupled with an interest and cannot be revoked, modified or amended without the prior written consent of the Holders. Upon request of the Holders, each Borrower shall execute, acknowledge and deliver to the Holders a form Power of Attorney confirming and restating the power-of-attorney granted herein.

ARTICLE III.
CONDITIONS

SECTION 3.1 *Conditions to Closing*. The obligations of Allied Capital to enter into this Agreement and to perform its obligations hereunder is subject to the satisfaction of the following conditions on or prior to the Closing Date:

(a) The representations and warranties set forth in Article IV hereof shall be true and correct on and as of the Closing Date.

(b) The Credit Parties shall be in compliance with all the terms and provisions set forth herein and in each other Loan Document on their part to be observed or performed, and at the time of and immediately after the Transaction, no Event of Default or Default shall have occurred and be continuing.

(c) Allied Capital shall have completed a due diligence investigation to their satisfaction.

(d) Allied Capital shall have received the following items:

(i) a favorable written opinion of counsel to the Credit Parties (A) dated the Closing Date, (B) addressed to Allied Capital and (C) covering such matters relating to the Loan Documents and the Transaction as Allied Capital shall reasonably request, and the Credit Parties hereby request such counsel to deliver such opinion;

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(ii) the Notes, duly executed by the Borrowers and each of the other Loan Documents, executed by each of the parties thereto (other than Allied Capital);

(iii) for each Credit Party: (A) a copy of the certificate or articles of incorporation or similar organizational documents, including all amendments thereto, of such Credit Party, certified as of a recent date by the Secretary of State or other appropriate agency of the jurisdiction of its organization, and a certificate as to the good standing of such Credit Party as of a recent date, from such Secretary of State or other appropriate agency; (B) a certificate of the Secretary or Assistant Secretary of such Credit Party dated the Closing Date and certifying (1) that attached thereto is a true and complete copy of the by-laws or similar operational documents or agreements of such Credit Party as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (2) below, (2) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Credit Party authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (3) that the certificate or articles of incorporation or similar organizational documents of such Credit Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (A) above, and (4) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Credit Party; and (C) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary of such Credit Party executing the certificate pursuant to (B) above;

(iv) all amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrowers hereunder or under any other Loan Document;

(v) the Audited Financials and Interim Financials, as described in Section 4.6; and

(vi) insurance certificates evidencing compliance with Section 6.2.

(e) The Credit Parties shall have entered into the transaction documents with respect to the Senior Credit Facility and Allied Capital shall be provided a copy of the documentation relating thereto;

(f) After giving effect to the transactions contemplated hereby, the Credit Parties and their Subsidiaries shall not have outstanding any Indebtedness other than (i) the Senior Debt in outstanding principal amount of not greater than $35,000,000, (ii) the extension of credit under this Agreement and (iii) the Indebtedness listed on Schedule 4.7.

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(g) No event that has or reasonably would be expected to have a Material Adverse Change shall have occurred since December 31, 2003.

(h) Allied Capital shall have received all necessary corporate approvals of the Transaction, and all regulatory requirements applicable to Allied Capital shall have been satisfied.

(i) Allied Capital shall be reasonably satisfied that, upon the filing of the Financing Statements with the appropriate Governmental Authorities, will hold a perfected Lien in the Collateral described respectively therein, subject only to Permitted Liens.

(j) Allied Capital shall have received from the Parent Company, in a form satisfactory to Allied Capital, the Warrant Amendments.

(k) Allied Capital shall have received such other documents, instruments and information as Allied Capital may reasonably request.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

In order to induce Allied Capital to enter into the Transaction, the Credit Parties jointly and severally represent and warrant to Allied Capital on the Closing Date (which representations and warranties shall survive the execution and delivery of this Agreement) that, except as set forth on the disclosure schedules attached hereto, after giving effect to the Acquisition:

SECTION 4.1 *Organization; Powers.* Each Credit Party: (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted; (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect; and (d) has the corporate power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party and each other agreement or instrument contemplated hereby, and to borrow hereunder, as applicable.

SECTION 4.2 *Authorization.* The execution, delivery and performance by each Credit Party of each of the Loan Documents to which such Credit Party is or is to become a party and the obligations hereunder and thereunder (collectively, the "*Transaction*") and the execution, delivery and performance of the Acquisition Documents to which such Credit Party is a party and the consummation of the transactions contemplated thereunder (a) have been duly authorized by all necessary corporate action on the part of such Credit Party and (b) will not: (i) violate (A) (x) any Applicable Law, or (y) the certificate or articles of incorporation or other constitutive documents or by-laws of such Credit Party, or (B) any provision of any Material Contract to which such Credit Party is a party or by which such Person or any of such Person' s Property is or may be bound (including, without limitation, the Senior Credit Facility and the Junior Debt Facility); (ii) result in a breach of or constitute (alone or with notice or lapse of time or both) a default under or give rise to any right to accelerate or to require the prepayment, repurchase or

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redemption of any obligation under any such Material Contract; or (iii) result in the creation or imposition of any Lien (other than a Permitted Lien) upon or with respect to any Property now owned or hereafter acquired by such Credit Party.

SECTION 4.3 *Enforceability.* This Agreement has been duly executed and delivered by the Credit Parties and constitutes, and each other Loan Document when executed and delivered by each Credit Party will constitute, a legal, valid and binding obligation of suc Person enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law and the availability of the remedy of specific performance.

SECTION 4.4 *Governmental Approvals.* Except as specifically disclosed on Schedule 4.4, each Credit Party has all material governmental authorizations, approvals, consents, permits, licenses, certifications and qualifications, and has complied in all material respects with all applicable requirements of the United States, and other jurisdictions where such Person conducts business or owns property, to conduct its business as is presently conducted and to own and operate its facilities as they are presently operated. No action, consent or approval or registration or filing with or any other action by any Governmental Authority is required in connection with the Transaction, except for such as have been made or obtained and are in full force and effect or which are listed on Schedule 4.4.

SECTION 4.5 *Borrowers' Business; Subsidiaries.* Each Credit Party is as of the Closing exclusively engaged in the operation of each Borrower's Business. Schedule 4.5 sets forth as of the Closing Date a list of all Subsidiaries of each Credit Party and the percentage ownership interest of such Credit Party therein, as well as a list of all joint ventures and partnerships of each Credit Party with any other Person. The shares of Capital Stock or other ownership interests so indicated on Schedule 4.5 are fully paid and non-assessable and are owned by the Credit Parties free and clear of all Liens.

SECTION 4.6 *Financial Condition.*

(a) The Parent Company has previously provided to Allied Capital a true and complete copy of the audited consolidated and supporting consolidating balance sheet of the Parent Company and its Subsidiaries as at December 31, 2001, December 31, 2002 and December 31, 2003, and the related consolidated and supporting consolidating statements of income and cash flow of the Parent Company and its Subsidiaries for the fiscal years then ended (such consolidated statements referred to herein as the "*Audited Financials*"). The Audited Financials were prepared in accordance with GAAP, are true and correct in all material respects and fairly present the Parent Company's and its Subsidiaries' operations and their cash flows at such date and for the period then ended. The auditors have issued an unqualified statement to the Borrowers concerning the Audited Financials, a copy of which is included with the Audited Financials.

(b) The Parent Company has previously provided to Allied Capital a true and complete copy of the preliminary unaudited consolidated and consolidating balance sheet of the

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Parent Company and its Subsidiaries as at February 29, 2004 and the related preliminary unaudited consolidated and consolidating statements of income and cash flow of the Parent Company and its Subsidiaries for the 2 month period then ended (the "*Interim Financials*"). The Interim Financials were prepared in accordance with GAAP (except that footnotes are omitted), are true and correct in all material respects and fairly present the Parent Company' s and its Subsidiaries' operations and their cash flows at such date and for the period then ended, subject to normal and immaterial year-end adjustments.

(c) The Parent Company has previously provided Allied Capital with projected consolidated balance sheets of the Parent Company and its Subsidiaries as of the end of each of fiscal years 2004 through 2006, giving effect to the incurrence of the full amount of Indebtedness contemplated under this Agreement and the use of the proceeds thereof, and the related consolidated statements of projected cash flow and projected income for such fiscal year (the "*Projected Statements*"). The Projected Statements are based on estimates, information and assumptions believed by the Credit Parties to be reasonable and the Credit Parties have no reason to believe, in the light of conditions existing at the time of delivery, that such projections are incorrect or misleading in any material respect.

SECTION 4.7 *Indebtedness*. Schedule 4.7 contains a complete and accurate list of all Indebtedness, (whether liquidated or unliquidated, mature or not yet mature, absolute or contingent, secured or unsecured) of each Credit Party. No Credit Party is in default or alleged to be in default with respect to any of its liabilities listed in the Audited Financials or the Interim Financials, except where such default or alleged default could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.8 *Ownership and Control*. Attached hereto as Schedule 4.8 is an accurate and complete list of the following information: (a) the authorized capitalization of each Credit Party as of the date hereof; (b) the number of shares of each class of the issued Capital Stock of each Credit Party and the number of outstanding shares thereof; (c) the number of shares covered by all convertible securities and all options, warrants and similar rights held with respect to the Capital Stock of each Credit Party; (d) the names of the record owners of five percent (5%) or more of all such shares of Capital Stock, all such holders of convertible securities, options, warrants and similar rights to purchase five percent (5%) or more of all shares of Capital Stock and the number of shares held by each such record owner; (e) the percentage of the outstanding shares of Capital Stock held by each Credit Party; and (f) all joint ventures and partnerships of each Credit Party with any other Person. All shares of Capital Stock of each Credit Party and all convertible securities, options, warrants and similar rights held with respect to the Capital Stock of each Credit Party have been duly authorized, and are validly issued, are fully paid and nonassessable (in the case of Capital Stock), and are owned of record as set forth on Schedule 4.8, free and clear of all Liens (other than Permitted Liens). Except as listed in Schedule 4.8, there are no outstanding options, warrants, convertible securities or other stock purchase rights issued by each Credit Party as of the date hereof, and there are no sale agreements, pledges, proxies, voting trusts, powers of attorney or other agreements or instruments binding upon the shareholders of each Credit Party with respect to beneficial and record ownership of, or voting rights with respect to, the Capital Stock of each Credit Party as of the date hereof.

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SECTION 4.9 *No Material Adverse Change.* Since the ending date of the Interim Financials, other than as disclosed in Schedule 4.9 hereto, there has occurred no event that has or reasonably would be expected to have a Material Adverse Effect.

SECTION 4.10 *Title to Properties; Possession Under Leases.*

(a) Each Credit Party has good and marketable title to, or valid leasehold interests in, all its material properties and assets purported to be owned or leased by it free and clear of Liens, other than Permitted Liens.

(b) Attached hereto as Schedule 4.10 is an accurate and complete list, as of the date hereof, of all leases of Real Property and other material leases to which any Credit Party is a party or by which any Credit Party, or any of its assets is bound, together with all amendments or supplements thereto (collectively, the "*Leases*").

SECTION 4.11 *Litigation; Compliance with Laws*

(a) Except as set forth on Schedule 4.11 (the "*Litigation Schedule*"), there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Credit Parties, threatened against or affecting any Credit Party or any of its Subsidiaries or any business, Property or rights of any Credit Party or any of its Subsidiaries (i) that involve any Loan Document or the Transaction or (ii) that involve amounts in excess of $500,000 or which could prejudice in any material respect any Holder' s rights or remedies under the Loan Documents.

(b) No Credit Party nor any of their respective material properties or assets is in violation of, nor will the continued operation of its properties and assets as currently conducted violate, any Applicable Law, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, except for such violations or defaults that could not reasonably be expected to have a Material Adverse Effect.

(c) Except for matters set out in the Litigation Schedule, no Credit Party is in breach of, default under, or in violation of: (a) any Applicable Law, decree, or order of any Governmental Authority, which breach, default or violation would reasonably be expected to result in a Material Adverse Effect; or (b) any deed, lease, loan agreement, commitment, bond, note, deed of trust, restrictive covenant, license, indenture, contract, or other agreement, instrument or obligation to which it is a party or by which it is bound or to which its assets are subject, which breach, default or violation would reasonably be expected to result in a Material Adverse Effect.

SECTION 4.12 *Contracts, Etc.*

(a) Attached hereto as Schedule 4.12 is an accurate and complete list of all Material Contracts to which any Credit Party is a party or by which any Credit Party or any of its assets is bound. Each Credit Party has entered into all Material Contracts necessary for the conduct of its business as presently conducted. Each of the Material Contracts is valid, binding and enforceable in accordance with its terms and remains in full force and effect. No Credit Party is in default or, to the knowledge of the Credit Parties, alleged to be in default with respect to any of its obligations under any of the Material Contracts (nor would be in default or alleged

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to be in default with the giving of notice, passage of time, or both) which would entitle the other party thereto to exercise remedies thereunder (excluding those defaults pursuant to which the other party thereto has made a monetary claim for less than $500,000), and, to the knowledge of the Credit Parties, no party other than the Credit Parties is in default with respect to such party' s obligations under any of the Material Contracts (or would be in default or alleged to be in default with the giving of notice, passage of time, or both). No claim has been asserted against any Credit Party that is or could be materially adverse to its interests under any of the Material Contracts. None of the Material Contracts is subject to any material rights of set-off, recoupment or similar deduction or offset. No Credit Party has assigned or encumbered any of its rights, title or interest in or under any of the Material Contracts (except to secure the Senior Debt) nor agreed to any oral modifications of any of the material provisions of any of the Material Contracts.

(b) No notice of suspension, debarment, cure notice, show cause notice or notice of termination for default has been issued by the Government to any Credit Party, and no Credit Party is a party to any pending, or to any Credit Party' s knowledge threatened, suspension, debarment, termination for default or show cause requirement by the Government or other adverse Government action or proceeding in connection with any Government Contract or Government Subcontract. All Government Contracts which have a remaining term of 12 months or longer and a remaining value of $5,000,000 or more are listed on Schedule 4.12.

(c) No existing Government Contract or other Material Contract of any Credit Party (and no present or future interest of any Credit Party, in whole or in part, in, to or under any such Government Contract or other Material Contract) is currently assigned, pledged, hypothecated or otherwise transferred to any person or entity (other than in favor of the Senior Lenders or the Holders).

(d) The Contribution Agreement is in full force and effect, has not been modified, altered or amended in any respect whatsoever (other than to add a new Borrower party thereto from time to time), and no Borrower is in default thereunder.

SECTION 4.13 *No Side Agreements; Affiliate Transactions*. There exists no agreement or understanding calling for any payment or consideration from a customer or supplier of any Credit Party to an officer, director, shareholder or manager of any Credit Party with respect to any transaction between any Credit Party and a supplier or customer. Except as set forth in Schedule 4.13, no Credit Party is a party to or bound by any agreement and arrangement (whether oral or written) to which any Affiliate of such Credit Party is a party except upon fair and reasonable terms no less favorable to such Credit Party than it could obtain in a comparable arm' s-length transaction with an unaffiliated Person.

SECTION 4.14 *Investment Company Act; Public Utility Parent Company Act.* No Credit Party is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Parent Company Act of 1935, as amended.

SECTION 4.15 *Insurance*. Each Credit Party has made available to Allied Capital insurance certificates for all of the insurance maintained by such Credit Party as listed on Schedule 4.15. Each Credit Party has insurance in such amounts and covering such risks and

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liabilities as may be reasonable and prudent and as may otherwise be reasonably required by Allied Capital. Such insurance is in full force and effect and all premiums have been duly paid.

SECTION 4.16 *Tax Returns.* Each Credit Party has filed or caused to be filed all Federal, state, and local tax returns which are required to have been filed by it or has filed extensions therefor and has paid or caused to be paid all taxes as and when due and payable by it and all assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which such Credit Party shall have set aside on its books adequate reserves.

SECTION 4.17 *No Untrue Statements or Material Omissions.* None of the statements contained in any report, financial statement, exhibit or schedule furnished by or on behalf of any Credit Party to any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, contained or contains any untrue statement of material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the time when made or delivered.

SECTION 4.18 *Employee Benefit Matters*.

(a) Attached hereto as Schedule 4.18(a) is an accurate and complete list of each employee benefit plan (as defined in Section 3(3) of ERISA), and each Plan, each stock option, stock purchase, restricted stock, and incentive deferred compensation plan, and all other material plans, programs, arrangements or agreements currently in effect, established, maintained, or contributed to (or, for which there is any contribution obligation) by the Borrowers (other than the UK Borrowers) or any ERISA Affiliate for the benefit of current or former employees, officers or directors of the Borrowers (other than the UK Borrowers) or any ERISA Affiliate.

(b) Except as set forth in Schedule 4.18(b), no plan listed in Schedule 4.18(a) is a Multiemployer Plan, and none of the Borrowers (other than the UK Borrowers) or any ERISA Affiliate (i) would incur any "withdrawal liability" (within the meaning of Part 1 of Subtitle E of Title IV of ERISA) if it made a "complete withdrawal" or a "partial withdrawal" (both within the meaning of Part 1 of Subtitle E of Title IV of ERISA and both a "*Withdrawal*") from each Multiemployer Plan to which it has an obligation to contribute and (ii) has incurred any Withdrawal Liability as a result of a past Withdrawal from a Multiemployer Plan.

(c) With respect to each Plan, (i) no "accumulated funding deficiency," as such term is defined in Section 302 of ERISA or Code section 412, exists or existed at any time, (ii) no waiver of the minimum funding standards of Section 302 of ERISA and Code Section 412 has been requested from or granted by the Internal Revenue Service, and (iii) no lien in favor of any Plan has arisen under Section 302(f) of ERISA or Code Section 412(n).

(d) There have been no Reportable Events, and the execution and performance of this Agreement will not constitute a Reportable Event. No Plan has been terminated since the effective date of ERISA which could result in any tax, penalty or liability being imposed upon the Borrowers (other than the UK Borrowers) or any ERISA Affiliate.

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(e) To the knowledge of the Borrowers, neither the Borrowers (other than the UK Borrowers) nor any ERISA Affiliate, nor any predecessor-in-interest to any of them, has participated in, and the execution and performance of this Agreement will not involve any, Prohibited Transaction that could reasonably be expected to have a Material Adverse Effect.

(f) Each plan listed in Schedule 4.18(a) is now and always has been operated in all material respects in accordance with Applicable Law and its terms, and all obligations required to be performed under each such plan have been performed such that there is no material default or violation by any party to any such plan. Each such plan that is intended to be qualified under Code Section 401(a) and each trust established in connection with any such plan that is intended to be exempt from federal income taxation under Code Section 501(a) has received a favorable determination letter from the Internal Revenue Service that it is so qualified or exempt, as applicable, any no fact or event has occurred since the date of such determination letter that could reasonably be expected to adversely affect the qualified status of such plan or the exempt status of any such trust unless corrective actions were taken.

(g) Except as set forth in Schedule 4.18(g), the execution and performance of this Agreement will not (i) constitute a stated triggering event under any plan listed in Schedule 4.18(a) that will result in any payment becoming due to any employee, officer, director or independent contractor of the Borrowers (other than the UK Borrowers) or any ERISA Affiliate or (ii) accelerate the time of payment or vesting for, or increase the amount of any compensation or benefits due to any such individual.

(h) All rights that are necessary to amend or terminate each of the Plans listed in Schedule 4.18(a) without the consent of any other person have been reserved, and such rights to amend or terminate are enforceable.

SECTION 4.19 *Environmental Matters.* Except as could not reasonably be expected to have a Material Adverse Effect:

(a) The Real Property does not contain any Hazardous Materials in amounts or concentrations which (i) constitute, or constituted a violation of, (ii) require Remedial Action under, or (iii) could give rise to liability under, Environmental Laws;

(b) The Real Property and all operations of each Credit Party are in compliance in all material respects, and in the last five years have been in compliance, with all Environmental Laws and all necessary Environmental Permits have been obtained and are in effect;

(c) There have been no Releases or threatened Releases in violation of applicable Environmental Laws at, from, under or proximate to the Real Property or otherwise in connection with the operations of any Credit Party;

(d) No Credit Party has received any notice of an Environmental Claim in connection with the Real Property or its operations or with regard to any Person whose liabilities for environmental matters such Credit Party has retained or assumed, in whole or in part, contractually, by operation of law or otherwise, nor do the Credit Parties have reason to believe that any such notice will be received or is being threatened; and

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(e) Hazardous Materials have not been transported from the Real Property in violation of any Environmental Law, nor have Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Properties in a manner that could reasonably be expected to give rise to liability under any Environmental Law, nor have any Credit Party retained or assumed any liability, contractually, by operation of law or otherwise, with respect to the generation, treatment, storage or disposal of Hazardous Materials.

SECTION 4.20 *Labor Matters.* As of the date hereof, there are no strikes, lockouts or slowdowns against any Credit Party pending or, to the actual knowledge of the Credit Parties, threatened. The hours worked by and payments made to employees of any Credit Party have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. Except as disclosed in Schedule 4.20 hereto, all payments due from any Credit Party or for which any claim may be made against any Credit Party, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Credit. Except as disclosed on Schedule 4.20, no Credit Party is a party to or bound by any collective bargaining agreement, management agreement, consulting agreement, employment agreement, bonus, restricted stock, stock option or stock appreciation plan or agreement or any similar plan, agreement or arrangement. The consummation of the Transaction will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Credit Party is bound.

SECTION 4.21 *Employees*. Attached hereto as Schedule 4.21 is an accurate and complete list of all employment and compensation contracts, including all retirement benefit agreements not disclosed on Schedule 4.18, between any Credit Party and their respective officers and executives. To the knowledge of the Credit Parties, no officer, executive or other key employee of any Credit Party has advised any Credit Party (orally or in writing) that he or she intends to terminate employment with any Credit Party.

SECTION 4.22 *Solvency.* After giving effect to the consummation of the transactions contemplated by this Agreement, each Credit Party will be Solvent. This Agreement is being executed and delivered by each Credit Party to the Holder in good faith and in exchange for fair, equivalent consideration. No Credit Party intends to nor does management believe any Credit Party will incur debts beyond its ability to pay as they mature. No Credit Party contemplates filing a petition in bankruptcy or for an arrangement or reorganization under the United States Bankruptcy Code or any similar law of any jurisdiction now or hereafter in effect relating to it, nor does any Credit Party have any knowledge of any threatened bankruptcy or insolvency proceedings against such Credit Party.

SECTION 4.23 *Licenses*. Each Borrower has good title to all of the Licenses necessary to operate such Borrower’ s Business.

SECTION 4.24 *Brokers.* Except for WWC Securities, LLC which will be paid $500,000 on or after the date hereof, no Credit Party has engaged the services of a broker in connection with the Transactions. Upon payment to WWC Securities, LLC of the payment described herein, all monetary and non-monetary obligations of the Credit Parties to WWC Securities, LLC shall be fully and completely satisfied.

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SECTION 4.25 *Intellectual Property*. As of the Closing Date, each Credit Party owns or will own or has rights to use all Intellectual Property necessary to continue to conduct its business as now or heretofore conducted by it or proposed to be conducted by it, and each patent, material trademark and material copyright and license owned by any Credit Party is listed, together with application or registration numbers, as applicable in Schedule 4.25. Each Credit Party conducts its business and affairs without infringement of or interference with any Intellectual Property of any other Person and no Credit Party has knowledge that another Person is infringing or interfering with any Intellectual Property of any Credit Party.

SECTION 4.26 *Foreign Assets Control Regulations and Anti-Money Laundering.*

(a) *OFAC*. No Credit Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury' s Office of Foreign Assets Control regulation or executive order.

(b) *Patriot Act*. Each Credit Party are in compliance, in all material respects, with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended (the "*Patriot Act*"). No part of the proceeds of the Investment will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

ARTICLE V.
LENDER REPRESENTATIONS

Allied Capital represents and warrants to the Borrowers as follows:

SECTION 5.1 *Investment*. It is acquiring the Notes (collectively, the "*Securities*") for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and it has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof.

SECTION 5.2 *Authority*. It has full power and authority to enter into and to perform this Agreement in accordance with its terms. It represents that it has not been organized, reorganized or recapitalized specifically for the purpose of investing in the Securities.

SECTION 5.3 *Accredited Investor*. It is an "*Accredited Investor*" within the definition set forth in Rule 501(a) of the Securities Act.

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ARTICLE VI.
AFFIRMATIVE COVENANTS

Until the Notes and all Obligations payable under the Loan Documents are repaid in full, unless the Holders shall otherwise consent in writing, the Credit Parties jointly and severally covenant and agree with the Holders to do (and to cause its Subsidiaries to do) all of the following:

SECTION 6.1 Existence; Businesses and Properties.

(a) Each of the Credit Parties will do or cause to be done all things necessary to preserve and maintain its legal existence (except as otherwise permitted under Section 7.5) and to maintain such Credit Party' s right to do business in each jurisdiction in which such Credit Party conducts business.

(b) Each of the Credit Parties will do or cause to be done all things necessary to: (i) obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; and (ii) at all times maintain and preserve all Property material to the conduct of such business and keep such Property in good repair, working order and condition (ordinary wear and tear excepted) and from time to time make, or cause to be made, all repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

SECTION 6.2 *Insurance.* Each of the Credit Parties will keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance to such extent and against such risks as is reasonable and prudent and as may otherwise be reasonably required by the Holders, including commercial general liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, product liability insurance and business interruption insurance; and maintain such other insurance as may be required by Applicable Law, in each case naming the Holders as a lienholder/mortgagee to the extent of their interests and providing for 30 day prior written notice of expiration, cancellation or reduction in coverage and waiver of subrogation (other than with respect to worker' s compensation insurance).

SECTION 6.3 *Taxes.* Each of the Credit Parties will pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof (other than a Permitted Lien), *provided, however,* that such payment and discharge shall not be required with respect to any such tax, assessment charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and any Credit Party and its Subsidiaries, as applicable, shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation, tax, assessment or charge and enforcement of a Lien.

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SECTION 6.4 *Financial Statements, Reports, etc.* The Credit Parties will furnish to the Holders:

(a) within 90 days after the end of each fiscal year, the consolidated and consolidating balance sheets and related statements of operations, stockholders' equity and cash flows, showing the financial condition of the Parent Company and its Subsidiaries, as of the close of such fiscal year and the results of its operations during such year, such consolidated statements to be audited by an independent public accountant of recognized national or regional standing acceptable to the Holders (it being understood that Ernst & Young is acceptable to the Holders), and accompanied by an opinion of such accountant (which shall not be qualified in any material respect) that such financial statements fairly present the financial condition and results of operations of the Parent Company and its Subsidiaries on a consolidated basis in accordance with GAAP;

(b) within 45 days after the end of each fiscal quarter of each fiscal year, its consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows showing the financial condition of the Parent Company and its Subsidiaries, as of the close of such fiscal quarter and the results of its operations during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by its Financial Officer as fairly presenting in all material respects the financial condition and results of operations of the Parent Company and its Subsidiaries on a consolidated basis in accordance with GAAP (but without footnotes), subject to normal year-end audit adjustments, together with a quarterly management summary description of operations (which requirement can be satisfied by delivery of the Management's Discussion and Analysis from the Parent Company's filings with the SEC on Form 10-K or 10-Q), together with detailed calculations evidencing compliance with the financial ratios and covenants set forth in Section 6.12;

(c) within 45 days after the end of each month through a series of reports, (i) its monthly and year-to-date consolidated and consolidating financial statements of the Parent Company and its Subsidiaries; (ii) in comparative form statements of operations with corresponding figures for the corresponding month, quarter-to-date and fiscal year-to-date period of the preceding fiscal year; and (iii) a forecast for the fiscal year compared to the annual budget;

(d) concurrently with any delivery of financial statements under sub-paragraph (a) or (b) above, a certificate of the Parent Company duly executed on its behalf by a Financial Officer of the Parent Company, in each case opining on or certifying such statements (which certificate, when furnished by an accounting firm, may be limited to accounting matters and disclaim responsibility for legal interpretations) containing a detailed calculation of the relevant items used to calculate compliance with the financial covenants set forth in Section 6.12 and, certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(e) to the extent that any Credit Party becomes subject to such reporting requirements, promptly, but in all events within three Business Days after the same become publicly available, copies of all final periodic and other reports, proxy statements and other materials filed by such Credit Party with the U.S. Securities and Exchange Commission (the "*SEC*"), or any Governmental Authority succeeding to any or all of the functions of the SEC, or

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with any national securities exchange, or distributed to its shareholders (exclusive of proprietary information unless (i) the Person that is the source of the information or report is a public company and (ii) such Person would then be required to file such proprietary information with the SEC), as the case may be;

(f) within 30 days of filing, copies of all material documents filed by any Credit Party other than in the ordinary course of business with any Governmental Authority, including, without limitation, the U.S. Internal Revenue Service, the U.S. Environmental Protection Agency (and any state equivalent), the U.S. Occupational Safety & Health Administration and the SEC;

(g) promptly upon request by any Holder, copies of all pleadings related to any material action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, by or against any Credit Party or any Affiliate thereof;

(h) as soon as practicable, and in any event not later than 120 days following to commencement of each calendar year, a copy of the Credit Parties' annual budget (detailed on a quarterly basis) for such fiscal year, in a form consistent with the financial statements provided hereunder;

(i) within 10 days of receipt, copies of any notice of default on any loans or leases which default is in excess of $500,000, individually or in the aggregate, to which any Credit Party is a party;

(j) if any Credit Party shall receive any letter, notice, subpoena, court order, pleading or other document issued, given or delivered by the Government, any Prime Contractor or by any person or entity acting for or on behalf of the Government or such Prime Contractor with respect to, or in any manner related to any alleged default, fraud, dishonesty, malfeasance or other willful misconduct of a Credit Party, a copy of such letter, notice, subpoena, court order, pleading, or document to each Holder within three Business Days of such Credit Party' s receipt thereof, provided that if any letter, notice, subpoena, court order, pleading or other document required to be delivered to each Holder pursuant to this clause (j) contains any information deemed "classified" by the Government and/or the dissemination of any such information to each Holder would result in the Credit Parties violation any Applicable Law, then the Credit Parties may deliver a summary thereof, but including as much (but no more than) detail as can be included therein without violating any Applicable Law;

(k) if any Credit Party shall issue, give or deliver to the Government, any Prime Contractor or by any person or entity acting for or on behalf of the Government or such Prime Contractor any letter, notice, subpoena, court order, pleading or other document with respect to, or in any manner related to, or otherwise in response to any alleged default, fraud, dishonesty, malfeasance or other willful misconduct of a Credit Party, a copy of such letter, notice, subpoena, court order, pleading, or document to each Holder concurrent with the Credit Party' s issuance or delivery thereof to the Government, Prime Contractor or any person or entity acting for or on behalf of the Government of such Prime Contractor; provided that if any letter, notice, subpoena, court order, pleading or other document required to be delivered to each Holder pursuant to this clause (k) contains any information deemed "classified" by the Government and/or the dissemination of any such information to each Holder would result in the

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Credit Parties violation any Applicable Law, then the Credit Parties may deliver a summary thereof, but including as much (but no more than) detail as can be included therein without violating any Applicable Law;

(l) promptly after entering into the same, copies of (i) all shareholders agreements and (ii) all employment agreements and other agreements of any Credit Party, the breach or termination of which could reasonably be expected to have a Material Adverse Effect; and

(m) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of any Credit Party, or compliance with the terms of any Loan Document, as any Holder may reasonably request (including any information necessary to enable the Holders to file any form required by any Governmental Authority).

SECTION 6.5 *Litigation and Other Notices.* The Credit Parties will furnish to the Holders prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) within 30 days of filing, the filing or commencement of or any written threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, by or against any Credit Party, any of its Subsidiaries or any Affiliate thereof which could reasonably be expected to have a Material Adverse Effect, and any judgments entered against any Credit Party or any of its Subsidiaries;

(c) at least 30 days and no more than 60 days prior notice of any Change of Control, except that in event that a Change a Control of which the Borrowers had no knowledge has resulted solely from a transfer of equity securities by stockholders of the Borrowers, then immediately upon Borrower becoming aware of such Change of Control; and

(d) any development that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect (including, without limitation, any enforcement, remedial or other governmental regulatory or other action instituted, completed or threatened in writing against any Credit Party or any of its Subsidiaries pursuant to any applicable Environmental Law, and any claim made by any Person against any Credit Party or any of its Subsidiaries relating to liability in respect of Hazardous Materials, which in each case would reasonably be expected to result in a Material Adverse Effect).

SECTION 6.6 *Employee Benefits.* Each Credit Party will (a) comply in all material respects with the applicable provisions of ERISA and the Code and (b) furnish to the Holders as soon as possible after, and in any event within 10 days after any Responsible Officer of such Credit Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred that alone or together with any other ERISA Event could reasonably be expected to result in liability of such Credit Party in an aggregate amount exceeding $500,000, a statement of a Financial Officer of such Credit Party setting forth details as to such ERISA Event and the action, if any, that such Credit Party proposes to take with respect thereto.

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SECTION 6.7 *Maintaining Records; Access to Properties and Inspections*. Each Credit Party will keep proper books of record and account in which full and correct entries in conformity with GAAP are made of all dealings and transactions in relation to its business and activities. Each Credit Party will permit any representatives designated by the Holders to obtain background information on such Credit Party or its management and to visit and inspect the financial records and the properties of such Credit Party at reasonable times during normal business hours and as often as reasonably requested and to make extracts from and copies of such financial records, and permit any representatives designated by the Holders to discuss the affairs, finances and condition of such Credit Party with the officers thereof and independent accountants therefor. In addition, the Credit Parties shall permit the Holders to conduct a review of the use of the proceeds of the Notes and shall certify in writing to the Holders that the proceeds of the Notes were used in accordance with Section 2.10 hereof.

SECTION 6.8 *Compliance with Laws.* Each Credit Party will comply with and perform all obligations under all contracts to which it is a party and to comply in all material respects with Applicable Laws, whether now in effect or hereinafter enacted, except to the extent such non-compliance could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, each Credit Party will: (a) comply, and cause all lessees and other persons occupying their Properties to comply, in all material respects with all Environmental Laws and Environmental Permits applicable to its operations and Properties; (b) obtain and renew all material Environmental Permits necessary for their operations and Properties; and (c) conduct in all material respects any Remedial Action in accordance with applicable Environmental Laws; *provided, however*, that no Credit Party shall be required to undertake any Remedial Action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

SECTION 6.9 *[INTENTIONALLY OMITTED]*.

SECTION 6.10 *Further Assurances*. Each Credit Party will execute any and all further documents, agreements and instruments, and take all further action that may be required under Applicable Law, or that the Holders may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents. The Credit Parties shall deliver or cause to be delivered to the Holders all such instruments and documents (including legal opinions) as the Holders may reasonably request to evidence compliance with this Section.

SECTION 6.11 *Maintenance of Office or Agency*. Each Borrower shall maintain an office or agency (a) where the Notes may be presented for payment, or for registration and transfer and for exchange as provided in this Agreement, and (b) where notices and demands to or upon each Borrower in respect of the Notes may be served. The location of such office or agency initially shall be the principal office of the Borrowers as set forth in Section 9.1 hereof. Each Borrower shall give the Holders written notice of any change of location thereof.

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SECTION 6.12 *Financial Ratios and Covenants*. The Parent Company and its Subsidiaries shall with respect to each period set forth below have complied or comply with and maintain each of the following financial ratios and financial covenants, using the information set forth in the financial statements provided by the Parent Company and its Subsidiaries in accordance with Section 6.4 above:

(a) Fixed Charges Ratio. The Parent Company and its Subsidiaries will maintain on a consolidated basis a Fixed Charges Ratio of: (i) not less than 1.04 to 1.00 for each fiscal quarter through the fiscal quarter ending June 30, 2005; (ii) not less than 1.13 to 1.00 for the fiscal quarter ending September 30, 2005 through the fiscal quarter ending March 31, 2007; and (iii) not less than 1.20 to 1.00 for the fiscal quarter ending June 30, 2007 and each fiscal quarter thereafter. For purposes of the foregoing, "*Fixed Charges Ratio*" shall mean, for each measurement period, the sum of the Parent Company' s and its Subsidiaries' EBITDA, plus real property rent expense and operating lease expense, divided by the sum of the Parent Company' s and its Subsidiaries real property rent expense and operating lease expense, plus cash interest expense, plus cash taxes paid, plus required principal payments on debt, plus capital lease payments. The Fixed Charges Ratio shall be measured on the last day of each fiscal quarter and shall be calculated on a four (4) quarter rolling basis.

(b) Asset Coverage Ratio. The Parent Company and its Subsidiaries will maintain on a consolidated basis an Asset Coverage Ratio of not less than 0.90 to 1.00 for each fiscal quarter. For purposes of the foregoing, "*Asset Coverage Ratio*" shall mean, for each measurement period, the sum of the Parent Company' s and its Subsidiaries' gross accounts receivable (billed and unbilled), plus unrestricted cash, divided by the sum of the prior 30 day average outstanding loan balance under the Senior Credit Facility, plus the face amount of all outstanding letters of credit on the "as of" date of the calculation, plus (A) from and after the date hereof until the date which is one (1) year from the date hereof, the greater of: (a) $6,000,000, and (b) fifty percent (50%) of the outstanding balance of the Term B Facility on the "as of" date of the calculation, (B) from and after the date which is one (1) year from the date hereof until the date which is two (2) years from the date hereof, the greater of (a) $8,000,000, and (b) eighty percent (80%) of the outstanding balance of the Term B Facility on the "as of" date of the calculation, and (C) from and after the date which is two (2) years from the date hereof, the greater of (a) $6,000,000 and (b) one hundred percent (100%) of the outstanding balance of the Term B Facility on the "as of" date of the calculation.

(c) Leverage Ratio. The Parent Company and its Subsidiaries will maintain on a consolidated basis for each quarter ending during the periods specified below, a Leverage Ratio of not more than the following:

Period	**Required Leverage Ratio**
From the Closing Date through September 30, 2004	Less than or equal to 3.85 to 1.00
From October 1, 2004 through March 31, 2007	Less than or equal to 3.50 to 1.00
From and after April 1, 2007	Less than or equal to 3.00 to 1.00

For purposes of the foregoing, "*Leverage Ratio*" shall mean, for each measurement period, the ratio of the Parent Company' s and its Subsidiaries' Total Debt to EBITDA. The Leverage Ratio shall be measured on the last day of each fiscal quarter.

(d) Capital Expenditures. The Parent Company and its Subsidiaries shall not, on an aggregate and consolidated basis, make or incur any capital expenditures (including, but

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not limited to, expenditures for leasehold improvements and capitalized costs) during any fiscal year in excess of $4,950,000; provided, however, that if in any fiscal year the Parent Company' s and its Subsidiaries' capital expenditures are less than $4,500,000 (a "*Carryover Year*"), the capital expenditure limit for the immediately following fiscal year shall be increased by the amount by which $4,500,000 exceeds the amount of capital expenditures made by the Parent Company and its Subsidiaries in the Carryover Year, but in no event shall the amount carried over to any future year exceed $2,250,000.

(e) Continued Profitability. The Parent Company and its Subsidiaries shall not, on a consolidated basis, sustain or incur negative Net Income for any fiscal quarter; it being understood and agreed that the non-cash charges listed on Schedule 6.12(e) hereto, and any other non-cash charges pre-approved in writing by the Holders, in their sole and absolute discretion, may be added back to operating income for the sole purpose of calculating the Parent Company' s and its Subsidiaries Net Income.

Unless otherwise defined in this Agreement, all financial terms used in this Section 6.12 shall have the meanings attributed to such terms in accordance with GAAP; provided that aggregate amount of EBITDA attributable to the Non-Borrower Subsidiaries included for purposes of calculating compliance with this Section 6.12 shall at no time account for more than 5% of the total EBITDA of the Parent Company and its Subsidiaries on a consolidated basis for the applicable period.

SECTION 6.13 *Observation Rights*.

(a) The board of directors of the Parent Company shall hold a general meeting (which may be held by conference call) at least quarterly for the purpose of discussing the business and operations of the Parent Company and its Subsidiaries. The Parent Company shall notify each of the Holders in writing of the date and time for each general or special meeting of its board of directors or any committee thereof or of the adoption of any resolutions by written consent (describing in reasonable detail the nature and substance of such action) at least one week prior to any general meeting or approval of such resolutions by written consent and at the time notice is provided to the directors of the Parent Company of any special meeting and concurrently deliver to the Holders any materials delivered to directors of the Parent Company, including a draft of any resolutions proposed to be adopted by written consent. The Holders shall be free during such one week period to contact the directors of the Parent Company and discuss the pending actions to be taken.

(b) The Parent Company shall permit one authorized representative of the Holders to attend and participate in all meetings of its board of directors and any committee thereof, whether in person, by telephone or otherwise, and shall provide such representative with such notice and other information with respect to such meetings as are delivered to the directors of the Parent Company. The Parent Company shall pay such representative' s reasonable out-of-pocket expenses (including, without limitation, the cost of airfare, meals and lodging) in connection with the attendance of such meetings.

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SECTION 6.14 *Future Financings*.

(a) Until the Notes are repaid in full, if any Credit Party desires to undertake any Covered Financing, then, prior to doing so, such Credit Party shall promptly provide written notice to the Holders of its intention to pursue a Covered Financing (the "*Covered Financing Notice*"), together with such information concerning the material terms and conditions in connection with such Covered Financing and such other information as the Holders may reasonably request to enable the Holders to agree to provide such Covered Financing (the "*Material Terms and Conditions*"). The Parent Company shall not, nor permit any of its Subsidiaries to, enter into any Covered Financing unless and until the Parent Company or such Subsidiary has complied in full with the requirements of this Section 6.14.

(b) For a period of 30 days after receipt of such notice and information, the Holders shall have the exclusive option, but not the obligation to agree to provide such Covered Financing by delivering written notice to such Credit Party (the "*Holder Covered Financing Notice*"). Failure by the Holders to deliver the Holder Covered Financing Notice within such time period shall be deemed an election by the Holders not to provide the Covered Financing.

(c) For a period of 90 days after receipt of such Holder Covered Financing Notice, the Parent Company shall not, nor permit any of its Subsidiaries to, enter into any Covered Financing with any Person (other than the Holders) with material terms and conditions less favorable to the Credit Parties than the Material Terms and Conditions set forth in the Covered Financing Notice.

SECTION 6.15 *Use of Proceeds.* The Borrowers will use the proceeds of the investment only for the purposes specified in Article II.

ARTICLE VII.
NEGATIVE COVENANTS

Until the Notes and all Obligations are repaid in full, unless the Holders shall otherwise consent in writing, the Credit Parties jointly and severally covenant and agree not to do any of the following without the prior written consent of the Holders:

SECTION 7.1 *Indebtedness*.

(a) No Credit Party shall directly or indirectly incur, create, assume or permit to exist any Indebtedness other than the following (together, the "*Permitted Indebtedness*"):

(i) the Senior Debt;

(ii) Indebtedness created hereunder and under the other Loan Documents;

(iii) Indebtedness of any Credit Party to another Credit Party so long as (i) after such transaction, such Credit Party providing the Indebtedness will be Solvent and (ii) no Default or Event of Default then exists or will exist after such transaction;

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(iv) Guarantees of Indebtedness otherwise permitted by this Section 7.1;

(v) Indebtedness existing on the date hereof and listed on Schedule 4.7;

(vi) Indebtedness arising from advances permitted pursuant to Section 7.6 hereof;

(vii) Indebtedness in respect of interest rate protection agreements entered into in the ordinary course of business and not for speculative purposes; and

(viii) any other Indebtedness of any Credit Party; provided that at the time of creation, incurrence or assumption there and at any time after giving effect thereto, the aggregate principal amount of such Indebtedness shall not exceed $1,000,000 in any fiscal year, or $2,000,000 in the aggregate outstanding at any time.

(b) Notwithstanding any provision to the contrary, except for the Term B Facility, the Credit Parties shall not, nor permit any of their Subsidiaries to, incur any Indebtedness that is subordinate or junior in right of payment to any Senior Debt unless such Indebtedness by its terms is subordinated to the Notes and the guarantee of the Guarantors, in each case on terms acceptable to the Holders.

(c) No Credit Party shall cancel any Indebtedness, claim or other debt owing to it other than to another Credit Party, except for reasonable consideration negotiated on an arm' s-length basis in the ordinary course of its business consistent with past practices.

SECTION 7.2 *Liens*. No Credit Party shall create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof except the following (the "*Permitted Liens*"):

(a) Liens securing the Senior Debt and the Notes;

(b) Liens for taxes, assessments or governmental charges (excluding any Lien imposed pursuant to any of the provisions of ERISA) not yet due or which are being contested in compliance with Section 6.3 which (i) the Credit Party has the financial ability to pay, including penalties and interest, and (ii) the non-payment thereof will not result in the execution of any such tax lien or otherwise jeopardize the interests of the Holders in any part of the Collateral;

(c) Liens of carriers' , warehousemen' s, mechanics' , vendors' , materialmen' s, repairmen' s or other like Liens arising in the ordinary course of business and securing obligations that are not due and payable or which are separately secured by cash deposits or pledges in an amount adequate to obtain the release of such liens;

(d) deposits or pledges made in the ordinary course of business to secure obligations under workers' compensation, social security or similar laws;

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(e) deposits to secure the performance of bids, tenders, trade contracts (other than for borrowed money), leases (other than capital lease obligations), liens to secure the performance of statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or materially adversely interfere with the use of such property for its present purposes;

(g) Liens arising solely by virtue of any contractual or statutory or common law provisions relating to banker' s liens, rights to set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution provided that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Credit Party or any Subsidiary in excess of those set forth by regulations promulgated by the Board of Governors of the Federal Reserve System and (ii) such deposit account is not intended by the Credit Party or such Subsidiary to provide collateral to the depositary institution (except in connection with Liens securing the Senior Debt);

(h) except as otherwise provided in the Loan Documents, statutory or contractual landlord' s liens on the tangible personal property of any Credit Party located in such Credit Party' s demised premises;

(i) judgment Liens not giving rise to an Event of Default; and

(j) Liens securing purchase money Indebtedness to the extent such Indebtedness is expressingly permitted pursuant to Section 7.1(viii).

SECTION 7.3 *Sale and Lease-Back Transactions*. No Credit Party shall enter into any arrangement, directly or indirectly, with any Person providing for such Credit Party to lease or rent property that such Credit Party has sold or will sell or otherwise transfer to such Person or any of its Affiliates.

SECTION 7.4 *Investments.* No Credit Party shall make any Investments except:

(a) Investments existing on the date hereof and listed on Schedule 7.4;

(b) Cash Equivalents;

(c) Investments consisting of extensions of trade credit in the ordinary course of any Borrower' s Business;

(d) loans and advances permitted under Section 7.6(c);

(e) Investments in Wholly-Owned Subsidiaries of a Credit Party that become a Credit Party pursuant to the terms of Section 7.7 on or prior to the date of such Investment; and

(f) other Investment instruments approved in writing by Holders.

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SECTION 7.5 *Mergers, Consolidations, Sales of Assets, Act of Dissolution*.

(a) No Credit Party shall merge or consolidate, sell majority ownership or effective control of any Credit Party or enter into any analogous reorganization or transaction with any Person; *provided* that (i) any Subsidiary of a Credit Party may be merged with any Credit Party if such Credit Party is the surviving or successor entity and, at the time of each such merger or consolidation, both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (ii) ORC Protel, Inc. may merge with and into a newly formed limited liability company that becomes a Credit Party hereunder and (iii) ORC Inc. may merge with and into the Parent Company so long as the Parent Company is the surviving corporation following such merger.

(b) No Credit Party shall change its form of entity.

(c) No Credit Party shall consummate any Asset Disposition.

SECTION 7.6 *Dividends and Distributions; Restrictions on Ability of Subsidiaries to Pay Dividends.*

(a) No Credit Party shall declare or pay any dividend on account of any class of its Capital Stock, now or hereafter outstanding, in excess of $1,200,000, in the aggregate, per annum; it being understood and agreed that such dividends may be declared and paid only to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP, and may only be declared and paid if (i) prior to and after giving effect to any such payment, no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default and (ii) not less than 15 days prior the declaration or payment of any such dividend, the Borrowers deliver to the Holders a certificate of the Parent Company duly executed on its behalf by a Financial Officer of the Parent Company certifying that, prior to and after giving effect to any such payment, no Event of Default shall have occurred or exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default and containing detailed calculations of the relevant items used to calculate such compliance with the financial covenants set forth in Section 6.12, in the same form provided in accordance with Section 6.4(d). Notwithstanding the foregoing, any Credit Party shall be entitled to pay dividends to another Credit Party without limit on the dollar amount thereof; provided that (i) no Event of Default shall exist, and no act, event or condition shall have occurred or exist which with notice or the lapse of time, or both, would constitute an Event of Default, and (ii) if such dividends are payable to both a Credit Party and a non-Credit Party minority shareholder, the aggregate amount of any and all dividends paid or payable to all non-Credit Party minority shareholders shall not exceed $100,000 per annum;

(b) No Credit Party shall alter or amend any Credit Party' s capital structure, purchase, redeem or otherwise retire any shares of any Credit Party' s Capital Stock, voluntarily prepay, acquire or anticipate any sinking fund requirement of any indebtedness, or make any distributions in cash or assets to any Credit Party' s shareholders or any Credit Party' s Affiliates, except that the Parent Company may make changes to its capital structure that are otherwise permitted hereunder and the Credit Parties may make distributions otherwise permitted under Section 7.6(a);

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(c) Except as set forth on Schedule 7.6, make any loans, salary advances or other payments to (i) any shareholders of any Credit Party, unless such shareholder is also a Credit Party in which the Holders have a perfected security interest in and to all of its assets constituting Collateral at the time such loan, salary advance or other payment is made; (ii) any corporation or other enterprise directly or indirectly owned in whole or in part by any shareholder of any Credit Party, unless such corporation or other enterprise is also a Credit Party in which the Holders have a perfected security interest in and to all of its assets constituting Collateral at the time such loan, salary advance or other payment is made or (iii) any other person or entity, provide, however, that the Credit Parties may pay, make or continue to have outstanding any of the following:

(i) normal and customary operating expenses, travel and expense reimbursements to salaried employees and trade credit extended to customers of the Credit Parties' business;

(ii) regularly scheduled salary payments to individuals who are also salaried employees of any Credit Party;

(iii) loans and working capital advances to a Subsidiary of any Credit Party which is not a Credit Party hereunder, provided that the aggregate amount of all such loans and advances does not at any time exceed $1,000,000;

(iv) the loans(s) described on Schedule 7.6 limited to the corresponding amounts set forth on Schedule 7.6; and

(v) payments made directly by a Credit Party to any Subsidiary or Affiliate of a Credit Party that is not a Credit Party; provided that such payments made (A) in the ordinary course of such Credit Party' s business, (ii) for products actually delivered or services actually performed and (iii) pursuant to an "arms' length" transaction (i.e. a transaction that would otherwise be made with an unrelated and unaffiliated third party).

(d) No Borrower shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of such Borrower to (i) pay any dividends or make any other distributions on its Capital Stock or (ii) make or repay any loans or advances to any Borrower or the Parent Company of such Subsidiary, except to the extent restricted by the Senior Debt Documents.

SECTION 7.7 *Transactions with Affiliates*. Except as otherwise expressly provided herein, no Credit Party shall sell or transfer any Property to, or purchase or acquire any Property from, or otherwise engage in any other transactions with, any of its officers, directors or Affiliates other than another Credit Party, except that (i) any Credit Party may engage in the foregoing transactions on terms that are fair and reasonable and no less favorable to such Credit Party than it would obtain in a comparable arm' s-length transaction with a Person not an officer, director or Affiliate, and (ii) the Credit Parties may pay up to $250,000 per year to ORC International Holdings, Ltd. with respect to expenses incurred by ORC International Holdings, Ltd. during the year in which such amounts are transferred.

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SECTION 7.8 *Business of Credit Parties and Subsidiaries*.

(a) No Credit Party shall engage at any time in any business or business activity other than those substantially similar to any Borrower' s Business and business activities reasonably incidental thereto. No Credit Party shall acquire or create any new Subsidiary unless such subsequently acquired or organized Subsidiary joins this Agreement and the Notes as a Borrower hereunder or a Guaranty Agreement as a Guarantor thereunder and such other agreements, mortgages, financing statements, landlord waivers, mortgagee waivers and other documents, together with an opinion of counsel, as reasonably requested by the Holders, in each case in form and substance reasonably acceptable to the Holders.

(b) No Credit Party shall, nor permit any of its Affiliates to, directly or indirectly purchase or otherwise acquire, or offer to purchase or otherwise acquire, any outstanding Notes except by way of payment or prepayment in accordance with the provisions hereof.

(c) No Credit Party shall issue any Disqualified Stock.

SECTION 7.9 *Investment Company Act*. No Credit Party shall become an investment company subject to registration under the Investment Company Act of 1940, as amended.

SECTION 7.10 *Acquisitions*. No Credit Party shall acquire all of the Capital Stock or all or any material portion of the assets of any Person or any division or line of business of such Person.

SECTION 7.11 *Prepayments*. Except for the Senior Debt, the Notes or Indebtedness owed to the Borrowers from a Subsidiary, no Credit Party shall prepay any Indebtedness.

SECTION 7.12 *Additional Negative Pledges*. No Credit Party shall enter into, assume or become subject to any agreement (a) prohibiting or otherwise restricting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, except under the Senior Debt Documents, or (b) requiring the grant of any security for an obligation if security is given for some other obligation, except for Permitted Liens.

SECTION 7.13 *Accounting Changes*. No Credit Party shall make any significant change in accounting treatment or reporting practices, except as required or permitted by GAAP, or change its fiscal year from its current fiscal year.

SECTION 7.14 *Stay, Extension and Usury Laws*. To the extent permitted under Applicable Law, each of the Credit Parties covenants and agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, and will use their best efforts to resist any attempts to claim or take the benefit of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of their obligations under this Agreement or the Notes. To the extent permitted under Applicable Law, each of the Credit Parties hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holders, but will suffer and permit the execution of every such power as though no such law has been enacted.

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SECTION 7.15 *Limitation on Foreign Operations.* No Credit Party shall permit (i) as of the last day of any fiscal quarter of the Borrowers, the Borrowers and their domestic Subsidiaries to own directly assets (other than Investments) representing less than 75% of the total consolidated assets of the Parent Company and its Subsidiaries determined on such date or (ii) as of the last day of any fiscal quarter of the Borrowers, the portion of Net Income for the period of four consecutive fiscal quarters of the Borrowers then ended which is attributable to Foreign Subsidiaries of the Borrowers to exceed 25% of Net Income for such period; provided, however, that Net Income attributable to Foreign Subsidiaries of the Borrowers may exceed 25% for such period so long as EBITDA for the Borrowers that are organized under the laws of a jurisdiction of the United States, or any State thereof or of the District of Columbia shall not be less than $10,000,000.

SECTION 7.16 *Inconsistent Agreements; Charter Amendments*. Except for the Subordination Agreement and the Term B Facility Subordination Agreement, no Credit Party shall (i) enter into any agreement or arrangement which would restrict in any material respect the ability of such Credit Party to fulfill its Obligations under the Loan Documents, or (ii) supplement, amend or otherwise modify the terms of their articles or certificate of incorporation or bylaws or any of the Loan Documents if the effect thereof would reasonably be expected to have a Material Adverse Effect.

SECTION 7.17 *Lease Obligations.* Except in the ordinary course of business, no Credit Party shall enter into any new lease of Property, or modify, amend, restate or renew any lease of Property in effect as of the Closing Date.

ARTICLE VIII.
EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1 *Events of Default*. If any of the following events ("*Events of Default*") occur*:*

(a) any representation or warranty made or deemed made in or in connection with any Loan Document hereunder or any representation, warranty or certification contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, proves to have been materially incorrect when so made, deemed made or furnished;

(b) default is made in the payment of any principal on the Notes when due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and such default continues unremedied for a period of three days;

(c) default is made (i) in the payment of any interest on the Notes due under any Loan Document, when and as the same becomes due and payable, and such default continues unremedied for a period of five days or (ii) in the payment of any other amount (other than an amount referred to in (b) or (c)(i) above) due under any Loan Document, when and as the same becomes due and payable, and such default continues unremedied for a period of five days after notice thereof from the Holders to the Borrowers;

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(d) default is made in the due observance or performance by any Credit Party of any covenant, condition or agreement contained in Section 6.12 or in Article VII (other than Sections 7.1, 7.2, 7.4 and 7.7, and other than Section 7.6, except in the case of a breach caused by a declaration or payment to LLR Equity Partners LP and/or LLR Equity Partners Parallel LLP);

(e) default is made in the due observance or performance by any Credit Party of any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default continues unremedied for a period ending the earlier of (i) a period of 15 days from the date such Credit Party knew of the occurrence of such default and (ii) a period of 15 days after notice thereof from the Holders to the Borrowers;

(f) any default is declared or otherwise occurs under any Material Contract of any Credit Party and the other party thereto commences exercise of its rights and remedies under such Material Contract as a consequence of such default (excluding those defaults pursuant to which the other party thereto has made a monetary claim of less than $500,000);

(g) any default is declared or otherwise occurs (after giving effect to any applicable notice and/or grace periods) under any Senior Debt, either (i) which is in the payment of any principal, interest or fees in excess of $100,000 in the aggregate due thereunder when and as the same becomes due and payable or (ii) pursuant to which the applicable Senior Lenders have accelerated the maturity thereof;

(h) any default is declared or otherwise occurs (after giving effect to any applicable notice and/or grace periods) under any Indebtedness of any Credit Party (other than the Senior Debt) in excess of $500,000 individually or in the aggregate;

(i) an Act of Bankruptcy or Act of Dissolution shall have occurred with respect to any Credit Party;

(j) one or more judgments for the payment of money in excess of $500,000 to the extent not fully paid or discharged (excluding any portion thereof that is covered by a insurance policy issued by an insurance company of recognized standing and creditworthiness) is rendered against any Credit Party, and the same shall remain undischarged for a period of 10 consecutive days during which execution is not effectively stayed, bonded, covered by adequate insurance, or covered by adequate reserves or any action is legally taken by a judgment creditor to levy upon assets or properties of any Credit Party to enforce any such judgment that is not effectively stayed, bonded, covered by adequate insurance, or covered by adequate reserves;

(k) an ERISA Event occurs that in the opinion of the Holders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of any Credit Party and its ERISA Affiliates in an aggregate amount exceeding $100,000;

(l) any execution or attachment shall be issued whereby any substantial part of the property of any Credit Party shall be taken or attempted to be taken and the same shall not have been vacated or stayed within 30 days after the issuance thereof;

(m) if (i) any Credit Party is debarred or suspended from contracting with any part of the Government; (ii) a notice of debarment or suspension shall have been issued to any

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Credit Party; or (iii) a notice of termination for default or the actual termination for default of any Material Contract shall have been issued to or received by any Credit Party, or (iv) a Government investigation or inquiry relating to any Credit Party and involving fraud, deception, dishonesty or willful misconduct shall have been commenced in connection with any Material Contract or any Credit Party' s activities' or

(n) any Guarantor shall repudiate or purport to revoke its guaranty, or any guaranty of the Obligations hereunder for any reason shall cease to be in full force and effect as to such Guarantor or shall be judicially declared null and void as to such Guarantor;

then: (i) in every such event other than an Event of Default described in paragraph (i) above, and at any time thereafter during the continuance of such event, the Holders of at least 50% of the aggregate outstanding principal amount of the Notes may by notice to the Borrowers declare the principal amount then outstanding under the Notes held by such Holder to be forthwith due and payable in whole or in part, whereupon the principal amount so declared to be due and payable, together with the Repayment Charge calculated as if such Notes were prepaid on the date of the Default, if any, all PIK Amounts and accrued interest thereon and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document in respect of such Notes, shall become forthwith due and payable, without presentment demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrowers, anything contained herein or in any other Loan Document to the contrary notwithstanding; and (ii) in any event with respect to an Event of Default described in paragraph (i) above, the principal of the Notes then outstanding, together with the Repayment Charge calculated as if the Notes were prepaid on the date of the Default, if any, all PIK Amounts and accrued interest thereon and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrowers, anything contained herein or in any other Loan Document to the contrary notwithstanding. In the event that the Holders of at least 50% of the aggregate outstanding principal amount of the Notes have declared the principal amount then outstanding under the Notes held by such Holders to be forthwith due and payable as set forth in clause (i) above, then any other Holder may also declare the principal amount then outstanding under the Notes held by such Holder to be forthwith due and payable in whole or in part as provided in clause (i) above.

SECTION 8.2 *Waivers*. The Credit Parties waive presentment, demand, notice of dishonor, and protest, and all demands and notices of any action taken by the Holders under this Agreement, except as otherwise provided herein.

SECTION 8.3 *Enforcement Actions.* The Holders may, at their option, collect all or any portion of the Obligations or enforce against the Credit Parties any of their respective rights and remedies with respect to the Obligations including, but not limited to: (a) commencing or pursuing legal proceedings to collect any amounts owed with respect to or to otherwise enforce the Obligations; (b) executing upon, or otherwise enforcing, any judgment obtained with respect to the payment or performance of the Obligations; or (c) exercising any remedies under the Stock Pledge Agreement.

SECTION 8.4 *Costs*. The Credit Parties shall pay all reasonable expenses of any nature, whether incurred in or out of court, and whether incurred before or after the Notes shall become

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due at their maturity date or otherwise (including, but not limited to, reasonable attorneys' fees and costs) which the Holders may reasonably incur in connection with the collection or enforcement of any of the Obligations. The Holders are authorized to pay at any time and from time to time any or all of such expenses, to add the amount of such payment to the amount of principal outstanding under the Notes, and to charge interest thereon at the rate specified in the Notes.

SECTION 8.5 *Set-off*. Subject to the Subordination Agreement, upon the occurrence and during the continuance of any Event of Default, each Holder is hereby authorized at any time and from time to time without notice to any Credit Party (any such notice being expressly waived by such Credit Party) and, to the fullest extent permitted by Applicable Law, to set off and to apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys at any time held and other indebtedness at any time owing by such Holder to or for the account of such Credit Party against any and all of the obligations of the Credit Parties now or hereafter existing under this Agreement or any other agreement or instrument delivered by such Credit Party to such Holder in connection therewith, whether or not such Holder shall have made any demand hereunder or thereunder and although such obligations may be contingent or unmatured. The rights of the Holders under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which they may have. A Holder shall give the Credit Party notice of any set-off hereunder after such set-off has occurred.

SECTION 8.6 *Remedies Non-Exclusive*. None of the rights, remedies, privileges or powers of the Holders expressly provided for herein are exclusive, but each of them is cumulative with, and in addition to, every other right, remedy, privilege and power now or hereafter existing in favor of each of the Holders, whether pursuant to the other Loan Documents, at law or in equity, by statute or otherwise.

ARTICLE IX.
MISCELLANEOUS

SECTION 9.1 *Notices.* Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(a) if to the Borrowers, Opinion Research Corporation, Attention: Mr. Kevin Croke (Facsimile No. 609-419-1901); with a copy to Wolf, Block, Schorr and Solis-Cohen LLP, Attention: David Gitlin, Esq. (Facsimile No. 215-977-2334); and

(b) if to the Holders, Allied Capital Corporation, at its offices at 1919 Pennsylvania Avenue, N.W., Washington, D.C. 20006, Attention: Frank Izzo (Facsimile No. 202-659-2053); with a copy to Piper Rudnick LLP, 1200 Nineteenth Street, N.W., Washington, D.C. 20036, Attention Anthony H. Rickert (Facsimile No. 202-223-2085).

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given (i) two Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one

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Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next Business Day delivery or (iii) on the date on which it is sent by facsimile transmission with acknowledgement of receipt at the number to which it is required to be sent in each case to the intended recipient as set forth above.

SECTION 9.2 *Survival of Agreement.* All covenants, agreements, representations and warranties made by the Credit Parties herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Holders and shall survive the making by the Holders of the investment, regardless of any investigation made by the Holders or on their behalf and shall continue in full force and effect as long as the principal of or any accrued interest on the Notes is outstanding and unpaid.

SECTION 9.3 *Binding Effect.* This Agreement shall become effective when it shall have been executed by the Parent Company, the Borrowers and the Holders, and when the Holders shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

SECTION 9.4 *Successors and Assigns.*

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Parent Company, the Borrowers or the Holders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) The Parent Company and the Borrowers shall not assign or delegate any of their rights or duties hereunder without the prior written consent of the Holders, and any attempted assignment or delegation without such consent shall be null and void. The Holders may assign or delegate any of its rights or duties hereunder or under the Notes in accordance with Section 9.19.

SECTION 9.5 *Expenses; Indemnity.*

(a) The Borrowers will pay to Allied Capital both a structuring fee of $19,091 and closing points of $60,000, and all reasonable out-of-pocket expenses incurred by the Holders in connection with the preparation and administration of this Agreement and the other Loan Documents, in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated), in connection with the enforcement or protection of its rights in relation to this Agreement and the other Loan Documents, including any suit, action, claim or other activity of the Holders to collect or otherwise enforce the Obligations or any portion thereof, or in connection with the Transaction, including, without limitation, the reasonable fees, charges and disbursements of Piper Rudnick LLP, counsel for the Holders, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for the Holders.

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(b) The Credit Parties, jointly and severally, agree to indemnify each Holder, and its respective directors, officers, employees and agents (each such Person being called an "*Indemnitee*") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transaction and the other transactions contemplated thereby, (ii) the use of the proceeds of the investment, (iii) any claim, litigation investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, or (iv) any actual or alleged presence or Release of Hazardous Materials on any property owned or operated by the Credit Parties, or any Environmental Claim related in any way to any Credit Party; provided that such indemnity shall not as to any Indemnitee be available to the extent it resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Notwithstanding any provision to the contrary, the provisions of this Section 9.5 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of the Notes, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Holders. All amounts due under this Section 9.5 shall be payable on written demand therefor.

SECTION 9.6 *Waiver of Consequential and Punitive Damages*. Each of the Credit Parties and the Holders hereby waive to the fullest extent permitted by Applicable Law all claims to consequential and punitive damages in any lawsuit or other legal action brought by any of them against any other of them in respect of any claim among or between any of them arising under this Agreement, the other Loan Documents, or any other agreement or agreements between or among any of them at any time, including any such agreements, whether written or oral, made or alleged to have been made at any time prior to the Closing Date, and all agreements made hereafter or otherwise, and any and all claims arising under common law or under any statute of any state or the United States of America, including any thereof in contract, tort, strict liability or otherwise, whether any such claims be now existing or hereafter arising, now known or unknown. The Holders and the Credit Parties acknowledge and agree that this waiver of claims for consequential damages and punitive damages is a material element of the consideration for this Agreement.

SECTION 9.7 *Applicable Law.* THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF MARYLAND (EXCLUDING CONFLICTS OF LAWS PROVISIONS).

SECTION 9.8 *Waivers; Amendment.*

(a) No failure or delay of a Holder in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to

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enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Holders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that it would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Credit Parties therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Credit Parties in any case shall entitle the Credit Parties to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Parent Company, the Borrowers and the Holders in accordance with Section 9.16.

SECTION 9.9 *Interest Rate Limitation.* If at any time the interest rate applicable to the Notes, together with all fees, charges, and other amounts which are treated under Applicable Law as interest thereunder (collectively the "*Charges*"), shall exceed the maximum lawful rate (the "*Maximum Rate*") which may be contracted for, charged, taken, received or reserved by the Holders holding the Notes in accordance with Applicable Law, the rate of interest payable in respect of the Notes, together with all Charges payable in respect thereof shall be limited to the Maximum Rate. If, from any circumstance whatsoever, the Holder shall ever receive anything of value deemed Charges by Applicable Law in excess of the maximum lawful amount, an amount equal to any excessive Charges shall be applied to the reduction of the principal balance owing under the Notes in the inverse order of maturity (whether or not then due) or at the option of the Holder be paid over to the Borrowers, and not to the payment of Charges. All Charges (including any amounts or payments deemed to be Charges) paid or agreed to be paid to the Holder shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal balance of the Notes so that the Charges thereof for such full period will not exceed the maximum amount permitted by Applicable Law.

SECTION 9.10 *Entire Agreement.* This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11 *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER

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PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12 *Severability.* In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any way, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13 *Counterparts.* This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract and shall become effective as provided in Section 9.3. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14 *Heading.* Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15 *Jurisdiction; Consent to Service of Process.*

(a) Each of the Credit Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Maryland State court or Federal court of the United States of America sitting in the State of Maryland, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in the State of Maryland or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement shall affect any right that the Holders may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against such Credit Party or their properties in the courts of any jurisdiction.

(b) Each of the Credit Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any Maryland state or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

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(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by Applicable Law.

SECTION 9.16 *Consents and Approvals; Defaults.*

(a) Subject to the terms of Section 9.16(b), to the extent that (i) the terms of this Agreement or any of the other Loan Documents require any Borrower to obtain the consent or approval of the Holders, (ii) the Borrowers seek an amendment to or termination of any of the terms of this Agreement or any of the Loan Documents, or (iii) the Borrowers seek a waiver of any right granted to the Holders under this Agreement or any of the Loan Documents, such consent, approval, action, termination, amendment or waiver (each, an "*Approval*") shall be made by the Holders of Notes representing at least 50.1% of the aggregate principal amount outstanding under all of the Notes.

(b) Notwithstanding anything to the contrary contained in Section 9.16(a), the Holders shall not, without the prior written consent and approval of all of the affected Holders, amend, modify, terminate or obtain a waiver of any provision of this Agreement or any of the Loan Documents, which will have the effect of (i) reducing the principal amount of any Notes or of any payment required to be made to the Holders hereunder, or modifying the terms of a payment or prepayment thereof; (ii) reducing the Interest Rate, or extend the time for payment of interest under any Notes; or (iii) releasing the Parent Company, any Borrower, any Guarantor or other obligor from any obligation under this Agreement or any of the other Loan Documents.

(c) Each Holder agrees that, for the benefit of the other Holders, any proceeds received upon enforcement by such Holder of its rights and remedies under this Agreement, will be divided, *pro rata*, among all Holders.

SECTION 9.17 *Relationship of the Parties; Advice of Counsel.* This Agreement provides for the making of an investment by each Holder, in its capacity as a lender, in the Borrowers, in their capacity as Borrowers, and for the payment of interest and repayment of principal by the Borrowers to the Holders. The provisions herein for compliance with financial covenants, if any, and delivery of financial statements are intended solely for the benefit of the Holders to protect their interests as lenders in assuring payments of interest and repayment of principal, and nothing contained in this Agreement shall be construed as permitting or obligating the Holders to act as a financial or business advisor or consultant to the Borrowers, as permitting or obligating the Holders to control any Borrower or to conduct any Borrower' s operations, as creating any fiduciary obligation on the part of the Holders to any Borrower, or as creating any joint venture, agency or other relationship between the parties other than as explicitly and specifically stated in this Agreement. The Holders are not (and shall not be construed as) a partner, joint venturer, alter-ego, manager, controlling person, operator or other business participant of any kind of any Borrower; neither the Holders nor any Borrower intends that the Holders assume such status, and, accordingly, the Holders shall not be deemed responsible for (or a participant in) any acts or omissions of any Borrower or any of its partners. Each of the Holders and the Borrowers represent and warrant to the other that it has had the advice of experienced counsel of its own choosing in connection with the negotiation and execution of this Agreement and with respect to all matters contained herein.

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SECTION 9.18 *Confidentiality* Each of the Holders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed: (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority; (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any permitted transferee of any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty' s or prospective counterparty' s professional advisor) to any credit derivative transaction relating to obligations of any Borrower or its Subsidiaries; (g) with the consent of the Borrowers; or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Holder on a nonconfidential basis from a source other than the Borrowers or the Parent Company *provided* that such source is not bound by a confidentiality agreement. For the purposes of this Section, "*Information*" means all information received from the Parent Company, the Borrowers or their Subsidiaries relating to the Parent Company, the Borrowers or their Subsidiaries or their respective businesses, other than any such information that is available to any Holder on a nonconfidential basis prior to disclosure by the Parent Company, the Borrowers or their respective Subsidiaries; *provided* that, in the case of information received from the Parent Company, the Borrowers or any Subsidiary after the date hereof, such information is clearly identified (in a reasonable manner) at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In any event, however, each Holder may disclose to any and all Persons without limitation of any kind, the tax treatment and tax structure of the transactions contemplated hereby and by the other Loan Documents and all materials of any kind (including opinions or other tax analyses) that are provided to the Holders relating to such tax treatment and tax structure; it being understood that this authorization is retroactively effective to the commencement of the first discussions between or among any of the parties regarding the transactions contemplated hereby and by the other Loan Documents.

SECTION 9.19 *Registration and Transfer of Notes.*

(a) The Borrowers will keep at its principal office a register in which the Borrowers will provide for the registration of the Notes and their transfer. The Borrowers may treat any Person in whose name any Note is registered on such register as the owner thereof for the purpose of receiving payment of the principal of and interest on such Note and for all other purposes, whether or not such Note shall be overdue, and the Borrowers shall not be affected by any notice to the contrary from any Person other than the applicable Holder. All references in this Agreement to a "Holder" of any Note shall mean the Person in whose name such Note is at the time registered on such register.

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(b) Upon surrender of any Note for registration of transfer or for exchange to the Borrowers at its principal office, the Borrowers at their expense will execute and deliver in exchange therefor a new Note or Notes, as the case may be, of the same type in denominations of at least $100,000 (except a Note may be issued in a lesser principal amount if the unpaid principal amount of the surrendered Note is not evenly divisible by, or is less than, $100,000), as requested by the holder or transferee, which aggregate the unpaid principal amount of such Note, registered as such holder or transferee may request, dated so that there will be no loss of interest on such surrendered Note and otherwise of like tenor.

(c) Upon receipt of evidence reasonably satisfactory to the Borrowers of the loss, theft, destruction or mutilation of any Note and, in the case of any such loss, theft or destruction of any Note, upon delivery of an indemnity bond in such reasonable amount as the Borrowers may determine (or an unsecured indemnity agreement from the Holder reasonably satisfactory to the Borrowers), or, in the case of any such mutilation, upon the surrender of such Note for cancellation to the Borrowers at their principal office, the Borrowers at their expense will execute and deliver, in lieu thereof, a new Note of the same class and of like tenor, dated so that there will be no loss of interest on (and registered in the name of the holder of) such lost, stolen, destroyed or mutilated Note. Any Note in lieu of which any such new Note has been so executed and delivered by the Borrowers shall be deemed to be not outstanding for any purpose of this Agreement.

{Signatures next page}

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

BORROWERS:

OPINION RESEARCH CORPORATION, a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **EVP - Corporate Finance**

ORC INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **President**

MACRO INTERNATIONAL INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Asst. Secretary**

ORC PROTEL, INC., a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Secretary**

SOCIAL AND HEALTH SERVICES, LTD., a Maryland corporation

By: /s/ KEVIN P. CROKE

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Name:

Kevin P. Croke

Title:

Secretary

SIGNATURE PAGE TO LOAN AGREEMENT

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ORC HOLDINGS, LTD., an English company

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Authorized Signatory**

O.R.C. INTERNATIONAL, LTD, an English company

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **Authorized Signatory**

ALLIED CAPITAL:

ALLIED CAPITAL CORPORATION

By: /s/ FRANK IZZO

Name: **Frank Izzo**

Title: **Principal**

SIGNATURE PAGE TO LOAN AGREEMENT

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AMENDMENT TO COMMON STOCK PURCHASE WARRANT NO. A-1

THIS AMENDMENT (this "Amendment") to Common Stock Purchase Warrant No. A-1 (the "Warrant") is made effective as of the 4th day of May, 2004 by and between OPINION RESEARCH CORPORATION, a Delaware corporation (the "Company") and ALLIED CAPITAL CORPORATION, a Maryland corporation (the "Holder").

RECITALS

WHEREAS, pursuant to that certain Investment Agreement (the "Investment Agreement") dated as of May 26, 1999 by and among the Company, the Holder and Allied Investment Corporation (together with the Holder, "Allied Entities"), Allied Entities invested in the Company the aggregate sum of $15,000,000 in exchange for certain subordinated debentures and warrants to purchase shares of Common Stock of the Company;

WHEREAS, the parties desire to amend the Warrant upon the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holder hereby agree as follows:

SECTION 1. Definitions. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Investment Agreement.

SECTION 2. Amendments to Warrant. The following amendments to the Warrant shall take effect as of the date hereof:

(a) Section 1 of the Warrant is hereby deleted in its entirety and replaced with the following:

"1. Grant. For consideration of $100 and other value received, OPINION RESEARCH CORPORATION, a Delaware corporation (the "Corporation"), hereby grants to ALLIED CAPITAL CORPORATION or its assigns or transferees (the "Holder"), at the exercise price set forth in Section 3 below, the right to purchase 276,785 shares (the "Warrant Shares") of Common Stock (or other security issued in accordance with Section 8). This Warrant is being issued at Closing under an investment agreement dated as of the date hereof (the "Investment Agreement") by and among the Corporation and the Holder. Capitalized terms used herein,

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but not elsewhere defined herein or in the Investment Agreement, have the meanings set forth in Schedule 1."

(b) Section 2 of the Warrant is hereby deleted in its entirety and replaced with the following:

"2. Exercise Period. The right to exercise this Warrant, in whole or in part, begins on the date hereof. The right to exercise this Warrant expires on the later of (i) May 4, 2009 or (ii) on the third anniversary of the Repayment Date (the "Expiration Date")."

(c) Section 4(b) of the Warrant is hereby deleted in its entirety and replaced with the following:

"(b) Intentionally Omitted."

(d) Section 5 of the Warrant is hereby modified and amended to insert the following new subsection 5(c) following subsection 5(b):

"(c) Adjustment for Event of Default. If, pursuant to either of those certain Loan Agreements dated as of May 4, 2004 (together, the "Loan Agreements") by and among the Borrowers (as defined therein) and the Holders (as defined therein), an Event of Default (as defined therein) occurs under (i) Section 8.1(b) or (c) or (ii) Section 8.1(d) with respect to a breach of Section 6.12, in each case of the Loan Agreements, the Exercise Price shall be reduced by $1.00 per share (subject to a proportionate adjustment in connection with any adjustment of the Exercise Price under Section 4 or 5 hereof) immediately after the last day of each consecutive 90 day period during which such Event of Default continues uncured and is not waived by the Holders (and for this purpose such Event of Default shall be deemed to be cured if amounts are paid with respect to a payment default referred to in Section 8.1(b) or (c) at any time within such 90 day period or if, with respect to a breach of Section 6.12, the Borrowers are in compliance with the covenant in Section 6.12 which was breached as of a date within such 90 day period), provided, however, that the Exercise Price shall not be reduced to below $1.50 per share (subject to a proportionate adjustment in connection with any adjustment of the Exercise Price under Section 4 or 5 hereof)."

(e) Schedule 1 of the Warrant is hereby amended and modified such that the definition of "Repayment Date" is hereby deleted in its entirety and replaced with the following definition of "Repayment Date":

""***Repayment Date***" means the date on which the Corporation has repaid in full in cash all amounts outstanding under the Notes (as defined in each of the Loan Agreements)."

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SECTION 3. Reference to and Effect Upon Warrant.

(a) Each reference in the Warrant to “this Warrant,” “hereunder,” “hereof,” or words of like import shall hereafter mean and be a reference to the Warrant, as amended hereby.

(b) Except as specifically amended hereby or contemplated hereby, the Warrant and each and every term and provision thereof shall remain in full force and effect and are hereby ratified and confirmed. The execution, delivery, and effectiveness of this Amendment shall not operate as a waiver of any right, power, or remedy of the Holder under the Warrant or any other documents referenced therein or constitute a waiver of any provision of the Warrant.

SECTION 4. Miscellaneous.

(a) Entire Agreement; Integration Clause. This Amendment contains the entire agreement between the parties hereto with respect to this transaction, and as such supersede any prior agreements, whether written or oral, regarding the matters described herein.

(b) No Oral Modification or Waivers. The terms herein may not be modified or waived orally, but only by an instrument in writing signed by the party against which enforcement of the modification or waiver (as the case may be) is sought.

(c) Governing Law. This Amendment is governed by, and interpreted and construed in accordance with, the internal laws of the State of Delaware (without regard to its conflicts of law principles).

(d) Headings. The headings of the paragraphs and sub-paragraphs of this Amendment are inserted for convenience only and shall not be deemed to constitute a part of this Amendment.

(e) Severability. To the extent any provision herein violates any applicable law, that provision shall be considered void and the balance of this Amendment shall remain unchanged and in full force and effect.

(f) Counterparts. This Amendment may be executed in as many counterpart copies as may be required. It shall not be necessary that the signature of, or on behalf of, each party appear on each counterpart, but it shall be sufficient that the signature of, or on behalf of, each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in any proof of this Amendment to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties.

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

"COMPANY":

OPINION RESEARCH CORPORATION
a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **EVP - Corporate Finance**

"HOLDER":

ALLIED INVESTMENT CORPORATION
a Maryland corporation

By: /s/ FRANK IZZO

Name: **Frank Izzo**

Title: **Principal**

SIGNATURE PAGE TO AMENDMENT TO WARRANT

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AMENDMENT TO COMMON STOCK PURCHASE WARRANT NO. A-2

THIS AMENDMENT (this "Amendment") to Common Stock Purchase Warrant No. A-2 (the "Warrant") is made effective as of the 4th day of May, 2004 by and between OPINION RESEARCH CORPORATION, a Delaware corporation (the "Company") and ALLIED INVESTMENT CORPORATION, a Maryland corporation (the "Holder").

RECITALS

WHEREAS, pursuant to that certain Investment Agreement (the "Investment Agreement") dated as of May 26, 1999 by and among the Company, the Holder and Allied Capital Corporation (together with the Holder, "Allied Entities"), Allied Entities invested in the Company the aggregate sum of $15,000,000 in exchange for certain subordinated debentures and warrants to purchase shares of Common Stock of the Company;

WHEREAS, the parties desire to amend the Warrant upon the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holder hereby agree as follows:

SECTION 1. Definitions. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Investment Agreement.

SECTION 2. Amendments to Warrant. The following amendments to the Warrant shall take effect as of the date hereof:

(a) Section 1 of the Warrant is hereby deleted in its entirety and replaced with the following:

"1. Grant. For consideration of $100 and other value received, OPINION RESEARCH CORPORATION, a Delaware corporation (the "Corporation"), hereby grants to ALLIED CAPITAL CORPORATION or its assigns or transferees (the "Holder"), at the exercise price set forth in Section 3 below, the right to purchase 160,244 shares (the "Warrant Shares") of Common Stock (or other security issued in accordance with Section 8). This Warrant is being issued at Closing under an investment agreement dated as of the date hereof (the "Investment Agreement") by and among the Corporation and the Holder. Capitalized terms used herein,

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but not elsewhere defined herein or in the Investment Agreement, have the meanings set forth in Schedule 1."

(b) Section 2 of the Warrant is hereby deleted in its entirety and replaced with the following:

"2. Exercise Period. The right to exercise this Warrant, in whole or in part, begins on the date hereof. The right to exercise this Warrant expires on the later of (i) May 4, 2009 or (ii) on the third anniversary of the Repayment Date (the "Expiration Date

(c) Section 4(b) of the Warrant is hereby deleted in its entirety and replaced with the following:

"(b) Intentionally Omitted."

(d) Section 5 of the Warrant is hereby modified and amended to insert the following new subsection 5(c) following subsection 5(b):

"(c) Adjustment for Event of Default. If, pursuant to either of those certain Loan Agreements dated as of May 4, 2004 (together, the "Loan Agreements") by and among the Borrowers (as defined therein) and the Holders (as defined therein), an Event of Default (as defined therein) occurs under (i) Section 8.1(b) or (c) or (ii) Section 8.1(d) with respect to a breach of Section 6.12, in each case of the Loan Agreements, the Exercise Price shall be reduced by $1.00 per share (subject to a proportionate adjustment in connection with any adjustment of the Exercise Price under Section 4 or 5 hereof) immediately after the last day of each consecutive 90 day period during which such Event of Default continues uncured and is not waived by the Holders (and for this purpose such Event of Default shall be deemed to be cured if amounts are paid with respect to a payment default referred to in Section 8.1(b) or (c) at any time within such 90 day period or if, with respect to a breach of Section 6.12, the Borrowers are in compliance with the covenant in Section 6.12 which was breached as of a date within such 90 day period), provided, however, that the Exercise Price shall not be reduced to below $1.50 per share (subject to a proportionate adjustment in connection with any adjustment of the Exercise Price under Section 4 or 5 hereof)."

(e) Schedule 1 of the Warrant is hereby amended and modified such that the definition of "Repayment Date" is hereby deleted in its entirety and replaced with the following definition of "Repayment Date":

""***Repayment Date***" means the date on which the Corporation has repaid in full in cash all amounts outstanding under the Notes (as defined in each of the Loan Agreements)."

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SECTION 3. Reference to and Effect Upon Warrant.

(a) Each reference in the Warrant to "this Warrant," "hereunder," "hereof," or words of like import shall hereafter mean and be a reference to the Warrant, as amended hereby.

(b) Except as specifically amended hereby or contemplated hereby, the Warrant and each and every term and provision thereof shall remain in full force and effect and are hereby ratified and confirmed. The execution, delivery, and effectiveness of this Amendment shall not operate as a waiver of any right, power, or remedy of the Holder under the Warrant or any other documents referenced therein or constitute a waiver of any provision of the Warrant.

SECTION 4. Miscellaneous.

(a) Entire Agreement; Integration Clause. This Amendment contains the entire agreement between the parties hereto with respect to this transaction, and as such supersede any prior agreements, whether written or oral, regarding the matters described herein.

(b) No Oral Modification or Waivers. The terms herein may not be modified or waived orally, but only by an instrument in writing signed by the party against which enforcement of the modification or waiver (as the case may be) is sought.

(c) Governing Law. This Amendment is governed by, and interpreted and construed in accordance with, the internal laws of the State of Delaware (without regard to its conflicts of law principles).

(d) Headings. The headings of the paragraphs and sub-paragraphs of this Amendment are inserted for convenience only and shall not be deemed to constitute a part of this Amendment.

(e) Severability. To the extent any provision herein violates any applicable law, that provision shall be considered void and the balance of this Amendment shall remain unchanged and in full force and effect.

(f) Counterparts. This Amendment may be executed in as many counterpart copies as may be required. It shall not be necessary that the signature of, or on behalf of, each party appear on each counterpart, but it shall be sufficient that the signature of, or on behalf of, each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in any proof of this Amendment to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties.

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

"COMPANY":

OPINION RESEARCH CORPORATION
a Delaware corporation

By: /s/ KEVIN P. CROKE

Name: **Kevin P. Croke**

Title: **EVP - Corporate Finance**

"HOLDER":

ALLIED INVESTMENT CORPORATION
a Maryland corporation

By: /s/ FRANK IZZO

Name: **Frank Izzo**

Title: **Principal**

SIGNATURE PAGE TO AMENDMENT TO WARRANT

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Exhibit 31.1

CERTIFICATION

I, John F. Short, Chairman and Chief Executive Officer of Opinion Research Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Opinion Research Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of registrant' s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

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b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: August 12, 2004

Signed:

/s/ John F. Short

Name: John F. Short

Title: Chairman and Chief Executive Officer

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Exhibit 31.2

CERTIFICATION

I, Douglas L. Cox, Executive Vice President and Chief Financial Officer of Opinion Research Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Opinion Research Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of registrant' s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

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b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: August 12, 2004

Signed: /s/ Douglas L. Cox

Name: Douglas L. Cox

Title: Executive Vice President and Chief Financial Officer

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Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Opinion Research Corporation (the "Company") on Form 10-Q for the period ending June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John F. Short, Chairman and Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2004

Signed: /s/ John F. Short

Name: John F. Short

Title: Chairman and Chief Executive Officer

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Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Opinion Research Corporation (the "Company") on Form 10-Q for the period ending June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas L. Cox, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2004

Signed: /s/ Douglas L. Cox

Name: Douglas L. Cox

Title: Executive Vice President and
Chief Financial Officer

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