

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

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

Date of Report  
(Date of earliest event reported): March 7, 2003

MATRIX SERVICE COMPANY  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-18716 (Commission File Number)	73-1352174 (IRS Employer Identification No.)
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10701 East Ute Street, Tulsa, Oklahoma (Address of principal executive offices)	74116-1517 (Zip Code)
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Registrant's telephone number, including area code (918) 838-8822

Item 2. Acquisition of Assets.

On March 7, 2003, Matrix Services Company (the "Registrant") acquired all of the issued and outstanding capital stock of Hake Group, Inc. from its sole shareholder, Skyview Partners LLC, and all of the issued and outstanding minority interests in two majority owned subsidiaries of Hake Group, Inc. (the "Purchase"). As a result of the Purchase, the Registrant acquired 100% of the ownership interests in Hake Group, Inc. and its wholly-owned subsidiaries, Bish Investments, Inc., Bogan, Inc., Frank W. Hake, Inc, Hover Systems, Inc., I&S, Inc., McBish Management, Inc., Mechanical Construction, Inc., Mid-Atlantic Constructors, Inc. and Talbot Realty, Inc., which are commonly referred to as The Hake Group of Companies. Included in the Purchase was a 50% membership interest in Ragner Hake, LLC.

The Hake Group of Companies are headquartered in Eddystone, Pennsylvania, and are engaged in the business of construction, repair and maintenance of above ground storage tanks, plant construction, plant maintenance and plant turnarounds, primarily for the oil and power industries located in the Mid-Atlantic region of the United States. The Registrant intends to continue in the businesses of The Hake Group of Companies.

The consideration for the Purchase was approximately \$50 million in cash, subject to certain adjustments, of which approximately \$40 million in cash was paid at closing with the remaining \$10 million to be paid post-closing in varying installments over the next five years. Financing for the transaction was provided under a new Credit Agreement among Matrix and a group of lenders led by Bank One.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The Financial Statements required by Item 7(a) of Form 8-K will be filed by amendment to this Current Report on Form 8-K not later than May 22, 2003.

(b) Pro Forma Financial Information

The Pro Forma Financial Information required by Item 7(b) of Form 8-K will be filed by amendment to this Current Report on Form 8-K not later than May 22, 2003

(c) Exhibits.

99.1 Equity Interests Purchase Agreement dated as of March 7, 2003 by and among Hake Acquisition Corp., Matrix Service Company, and the Holders of the Equity Interests of The Hake Group of Companies.

99.2 Credit Agreement dated as of March 7, 2003, by and among Matrix Service Company, the Lenders referred to therein, Bank One, Oklahoma N.A., as Agent and Wells Fargo Bank Texas, N.A., as Co-Agent.

SIGNATURES

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

Dated: March 20, 2003

By: /s/ Michael J. Hall

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Michael J. Hall  
Vice President - Finance and  
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO.

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Exhibit 99.1 Equity Interest Purchase Agreement

EQUITY INTERESTS PURCHASE AGREEMENT

BY AND AMONG

HAKE ACQUISITION CORP.,

MATRIX SERVICE COMPANY,

AND

THE HOLDERS OF EQUITY

INTERESTS IN THE HAKE GROUP OF COMPANIES

(AS MORE FULLY DESCRIBED HEREIN)

DATED AS OF MARCH 7, 2003

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Appendix 1 Definitions

Exhibit A Hake Group of Companies and Percentage of Purchase Price

Exhibit B WIP Contracts and Percentage Completed

Exhibit C Agreed Procedure

Exhibit D MEP Participants

Disclosure Schedules

## EQUITY INTERESTS PURCHASE AGREEMENT

THIS EQUITY INTERESTS PURCHASE AGREEMENT is made and entered into as of this 7th day of March, 2003, by and among Hake Acquisition Corp., a Delaware corporation ("Buyer"), Matrix Service Company, a Delaware corporation ("Matrix") and the "Holders" (as these and certain other capitalized terms used herein are defined on Appendix I hereto (individually, a "Party" and collectively, the "Parties")).

### RECITALS:

A. Matrix owns all of the issued and outstanding capital stock of Buyer.

B. The Holders, directly or indirectly, own all of the issued and outstanding Equity Interests of The Hake Group of Companies, all as set forth in Exhibit A hereto. A member of the Hake Group of Companies owns 50% of the interests in Ragner Hake LLC.

C. Buyer desires to purchase from the Holders and the Holders desire to sell to Buyer, for the consideration and upon and subject to the terms, conditions and covenants set forth in this Agreement, all of the issued and outstanding Equity Interests of The Hake Group of Companies.

D. Matrix has agreed to become a party to this Agreement, and to make its representations, warranties, covenants and agreements set forth herein, as an inducement for and as a condition to the execution and delivery of this Agreement by the Holders.

### AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual promises and undertakings made by the parties in this Agreement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

## DEFINITIONS

Certain Definitions. Capitalized terms used in this Agreement that are not defined herein are used as defined in Appendix I hereto.

Schedules; Etc. References made to a "Schedule", refer to any of the Schedules attached hereto, and references made to an "Article" or a "Section", unless otherwise specified, refer to one of the Articles or Sections of this Agreement. Reference to a document, agreement, matter or other information in one Schedule shall be deemed a reference to such document, agreement, matter or information in all Schedules, but only to the extent the information or facts required to be disclosed with respect to such other Schedules are manifest from a reading of the Schedule itself and not from a reading of the agreements or other documents annexed thereto or that constitute a part thereof. Inclusion of information in a Schedule does not constitute an admission or acknowledgment of the materiality or significance of the matter disclosed.

Plurals; Etc. As used herein, the plural form of any noun shall include the singular and the singular shall include the plural, unless the context otherwise requires. Each of the masculine, neuter and feminine forms of any pronoun shall include all such forms unless the context otherwise requires.

Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of ease of reference, and shall not in any way affect the meaning or interpretation of this Agreement.

## PURCHASE AND SALE OF EQUITY INTERESTS

Purchase and Sale of Equity Interests. Upon the terms and subject to the conditions set forth herein, the Holders agree to sell, transfer, convey, assign and deliver to Buyer at the Closing, and Buyer agrees to purchase and accept from the Holders at the Closing, all of the applicable Holder's right, title and interest under, in and to all of the issued and outstanding Equity Interests of Hake Group, Inc. held by such Holder, free and clear of all Encumbrances. The parties acknowledge that acquiring all of the Equity Interests in the Hake, Inc., Buyer will own, directly or indirectly, all of the Equity Interests in The Hake Group of Companies and 50% of the membership interests of Ragner Hake LLC.

Purchase Price. Buyer shall pay to the Holder Representative for the benefit of the Holders, for and in consideration of the sale by the Holders to Buyer of the Equity Interests an aggregate purchase price of Fifty Million Dollars (\$50,000,000.00), as the same may be adjusted as hereinafter provided (as so adjusted, the "Purchase Price"). The portion of the Purchase Price attributable to each Holder, expressed as a percentage of the Purchase Price, is set forth opposite the name of each Holder on Exhibit A hereto. The Purchase Price shall be paid as follows:

Subject to the adjustments to the Purchase Price set forth in Section 0below, Forty Million Dollars (\$40,000,000.00) (the "Cash Amount"), of which Buyer will be credited with (i) the amount of \$19,863,171 in respect of the payment made by Hake Group, Inc. to MEP Participants pursuant to Section 0A. (the "Initial MEP Payment") and (ii) and \$1,255,000 in respect of payments of fees to

firms identified on Schedule 0A, on account of the portion of their fees payable at Closing as provided in Section 2.06 (the "Initial Fees"); plus

Subject to the reduction of the Purchase Price, including the Deferred Portion of the Purchase Price, by reason of any indemnification payments made by the Holders pursuant to Sections 12.02 and 12.03 below, Ten Million Dollars (\$10,000,000.00) (the "Deferred Portion of the Purchase Price") payable as follows and which shall be subject to Section 0

One Million Dollars (\$1,000,000.00) shall be paid to the Holder Representative and Harris Williams & Co. ("Harris Williams") in the proportions identified on Schedule 2.02B, in immediately available funds on March 7, 2004;

Two Million Dollars (\$2,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02B, in immediately available funds on March 7, 2005;

Two Million Dollars (\$2,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02B, in immediately available funds on March 7, 2006;

Two Million Dollars (\$2,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02B, in immediately available funds on March 7, 2007; and

Three Million Dollars (\$3,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02B, in immediately available funds on March 7, 2008.

Notwithstanding the foregoing, in the event that Buyer or Matrix shall deliver the Substitution LC to the Holder Representative as provided in Section 0, the Deferred Portion of the Purchase Price shall be paid as follows:

1. One Million Dollars (\$1,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02B, in immediately available funds on March 7, 2004;

2. Two Million Dollars (\$2,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02 B. in immediately available funds on September 7, 2005;

Three Million Dollars (\$3,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02 B. in immediately available funds on September 7, 2006; and

Four Million Dollars (\$4,000,000.00) shall be paid to the Holder Representative and Harris Williams in the proportions identified on Schedule 2.02 B. in immediately available funds on March 7, 2008.

Estimated Cash Amount at Closing. On the Closing Date, Buyer shall pay to the Holder Representative for the benefit of the Holders the Estimated Cash Amount, which shall be the difference between (i) Forty Million Dollars (\$40,000,000.00) and (ii) the sum of (x) the Initial MEP Payment and (y) the Initial Fees, adjusted as follows:

Plus \$3,751,818 reflecting the estimated Excess in the Net Current Assets at Closing over the Net Current Assets reflected in the Acquisition Date Balance Sheet determined in accordance with Schedule0A.; and

Plus \$650,000 representing the amount of any Approved Capital Expenditures set forth on Schedule 2.03B. attached hereto.

The Estimated Cash Amount shall be paid in cash by wire transfer of immediately available funds to the account of the Holder Representative.

Adjustments to Purchase Price. In addition to the adjustments in Section 2.03, the Purchase Price shall be subject to the following additional adjustments. Subject to the terms of Section 2.05 below, the adjustments referred to in Sections 2.04A. and 2.04B. shall be made as adjustments to the Cash Amount and the adjustment referred to in Section 2.04C. shall be made as an adjustment to the Deferred Portion of the Purchase Price:

Working Capital Adjustment.

As soon as practicable, but in no event later than ninety (90) days after the Closing, the Holders shall cause to be prepared and delivered to Buyer the Closing Date Balance Sheet which shall reflect the Net Current Assets as of the close of business on the Closing Date (the "Actual Net Current Assets"). The Closing Date Balance Sheet and the Actual Net Current Assets reflected thereon shall be determined in accordance and consistently with the Agreed Procedure, and the Closing Date Balance Sheet shall be accompanied by an audit opinion thereon of the independent auditor for The Hake Group of Companies, Rainer & Company ("Rainer") to the effect that such Closing Date Balance Sheet and the Actual Net Current Assets reflected thereon were prepared in accordance with GAAP (based on the rules of GAAP in effect at the time the Acquisition Date Balance Sheet was prepared, without regard to any changes in GAAP made or taking effect after such time ("Balance Sheet GAAP")) and with additional schedules showing adjustments required by the Agreed Procedure. After the Closing, Buyer shall make available to the Holders and Rainer, at no expense to the Holders, such of the facilities, books, records and personnel of Buyer as are reasonably requested by the Holders and Rainer in connection with the preparation of the Closing Date Balance Sheet and the Actual Net Current Assets. The Holders and Rainer shall make available to Buyer and its independent auditor, at no expense to Buyer, copies of all work papers, books and records used in the preparation and audit of the Closing Date Balance Sheet.

In the event Buyer disputes that the Actual Net Current Assets reflected thereon were determined in accordance with the Agreed Procedure, Buyer shall, within thirty days after delivery of the Closing Date Balance Sheet, deliver a notice to the Holder Representative (the "Dispute Notice") setting forth in reasonable detail the basis of such dispute. If the Dispute Notice is not delivered within such thirty day period, then the Closing Date Balance Sheet and the Actual Net Current Assets reflected on the Closing Date Balance Sheet, as so determined by

the Holder Representative and Rainer, shall be the "Final Net Current Assets". In the event that the Dispute Notice is delivered within such period, Buyer and the Holder Representative shall have a period of 20 days to resolve such dispute by mutual agreement. If Buyer and the Holder Representative are able to resolve their dispute by mutual agreement, the "Final Net Current Assets" shall be the amounts agreed to by the parties.

In the event Buyer and the Holder Representative are unable to resolve their dispute within such 20 day period, upon demand of either Buyer or the Holder Representative at any time during a 45 day period thereafter, the parties shall refer such dispute to the Philadelphia, Pennsylvania office of PricewaterhouseCoopers LLP who shall act as the Reviewing Accountant to review the portions of the Actual Net Current Assets which are subject to dispute. The parties shall, and shall instruct their respective accountants to, make available to the Reviewing Accountant all work papers and all other information and material in their possession as is requested by the Reviewing Accountant that relates to the items of Actual Net Current Assets in dispute. The Reviewing Accountant shall be instructed by the parties to use its best efforts to deliver its determination to the parties as promptly as practicable after submission of the dispute to the Reviewing Accountant. The determination of the Reviewing Accountant shall be final and binding on the parties (absent manifest error); and the Actual Net Current Assets reflected on the Closing Date Balance Sheet as determined by the Holder Representative and as modified (if at all) by agreement of Buyer and the Holder Representative or by the Reviewing Accountant in accordance with this Section 2.03A. shall be the "Final Net Current Assets".

Each party shall bear its own expenses and the fees and expenses of its own representatives and experts, including its independent accountants, in connection with the preparation, review, dispute (if any) and final determination of the Final Net Current Assets. The parties shall share the costs, expenses and fees of the Reviewing Accountant in inverse proportion to the extent to which their respective positions are sustained to a maximum of 100% for such party. For example, if the Holders assert that the dollar amount of inventories, if any, should be \$1,000,000 and Buyer asserts it should be \$800,000, and the Reviewing Accountant determines it to be \$950,000, then the Holder's position would have been 75% sustained (i.e., 75% of the \$200,000 in dispute was resolved in favor of the Holder's position) and the Holders would bear 25% and the Buyer would bear 75% (i.e., an inverse proportion) of the costs, expenses and fees of the Reviewing Accountant.

Within ten days of the first to occur of (x) the expiration of the thirty day period from the delivery by the Holder Representative to Buyer of the Closing Date Balance Sheet and during which thirty day period Buyer does not deliver the Dispute Notice to the Holder Representative hereunder; or (y) the resolution by mutual agreement of Buyer and the Holder Representative of all disputes regarding the Actual Net Current Assets; or (z) the delivery by the Reviewing Accountant of its determination as to all portions of the Actual Net Current Assets in dispute,

if the Final Net Current Assets exceeds \$13,016,000 (the "Final Positive Adjustment"), then

Buyer shall pay to the Holder Representative the amount by which the Final Positive Adjustment exceeds \$3,751,818 which amount shall be treated as an adjustment to the Purchase Price, such amount to be paid 47% as a credit in connection with the amounts paid to MEP Participants pursuant to Section 0B. hereof with the balance paid in cash within five (5) days after such determination; and

the Holders shall pay to Buyer the amount by which \$3,751,818 exceeds the Final Positive Adjustment within five (5) days after such determination, which amount shall be treated as an adjustment to the Purchase Price.

if the Final Net Current Assets are less than \$13,016,000, Holders shall pay to Buyer an amount equal to the sum of (x) the amount of such shortfall, plus (y) the amount of the Final Positive Adjustment, which amount shall be treated as an adjustment to the Purchase Price.

Adjustments for Approved Capital Expenditures. Since the date of the Acquisition Date Balance Sheet and prior to the date of execution of this Agreement, The Hake Group of Companies have made certain capital expenditures, which aggregate \$650,000, that the Buyer has agreed shall be added to the Cash Amount as an adjustment to the Purchase Price. Such capital expenditures for which Buyer has agreed to increase the Cash Amount total \$650,000 are set forth on Schedule 2.03B. hereto under the caption "Approved Capital Expenditure Amounts." The Approved Capital Expenditure Amounts shall be paid by Buyer to the Holder Representative for the benefit of the Holders at Closing. Such payment shall be treated as an adjustment to the Purchase Price.

Adjustments to Deferred Portion of Purchase Price. Sections 12.02 and 12.03 of this Agreement sets forth the terms and conditions upon which the Parties have agreed to indemnify one another for certain breaches of representations, warranties and covenants made in this Agreement. In the case of the Holders, certain payments of indemnity are reflected as a decrease in the amount of the Deferred Portion of the Purchase Price and therefore as an adjustment to the Purchase Price.

MEP Payments.

At Closing, Hake Group, Inc. shall pay to the Holder Representative on behalf of the participants (the "MEP Participants") of the Management Equity Plan (the "MEP") the sum of \$13,282,903 to be allocable to each participant in the pre-tax withholding percentage shown opposite the MEP Participant's name on Exhibit D.

If a payment is due to the Holder Representative pursuant to Section 2.04A of this Agreement, the amount otherwise due to the Holder Representative on behalf of the Holders shall be reduced by forty-seven percent (47%) and the amount of such reduction shall (subject to applicable withholding) be paid to the Holder Representative for the benefit of the MEP Participants, in the pre-tax withholding percentage set forth opposite the MEP Participant's name on Exhibit D at the same time and in the same manner as the payment is made to the Holder Representative under Section 2.04A.

Initial Fees. At Closing, the Hake Group, Inc. will pay to the entities identified on Schedule 2.02A the Initial Fees in immediately available funds.

#### RETAINED LIABILITIES

Retained Liabilities. At or prior to the Closing, The Hake Group of Companies shall each execute and deliver to the entities identified on Schedule 3.01 with respect their respective Retained Liabilities (the "RL Transferee(s)") an Assignment & Assumption Agreement in a form reasonably satisfactory to the Parties (the "Retained Liabilities Assignment & Assumption Agreement"), pursuant to which each of The Hake Group of Companies shall convey, assign and

transfer to the RL Transferees, and such RL Transferees shall assume and undertake to pay, perform and discharge, any and all Retained Liabilities effective as of the Closing.

#### CLOSING AND CLOSING DATE

Closing. The closing of the transactions contemplated in this Agreement ("Closing") shall take place at the offices of Pepper Hamilton, LLP, 3000 Two Logan Square, Eighteenth and Arch Streets, Philadelphia, Pennsylvania 19103-2799, at 10:00 a.m., local time.

Closing Date. The Closing shall occur on March 7, 2003, if all of the conditions set forth in Article IX hereof have been fulfilled by such date. If all of such conditions have not been fulfilled by such date, and subject to the termination rights provided for in Article X, then the Closing shall take place:

On such other date which is two business days after the Party obligated to fulfill such conditions shall have notified the other Party that the last of such conditions has been satisfied or waived, or

On such other date as the Parties may agree, provided that the Closing shall in no event occur prior to the earlier of

The expiration of the statutory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") (or such later date on which any extended waiting period expires) or

Receipt of early termination of such statutory waiting period from the Federal Trade Commission or the Antitrust Division of the Department of Justice thereunder (any such date on which the Closing occurs, the "Closing Date").

#### REPRESENTATIONS AND WARRANTIES OF THE HOLDERS

Representations and Warranties of the Holders. Each Holder, jointly and severally (except as to the Holders listed on Schedule 5.01 which are several only), hereby represents and warrants to Buyer and Matrix as follows:

Authority; Consents; Enforcement; Noncontravention. This Agreement has been duly executed and delivered by each Holder and constitutes, and each and every agreement and instrument executed and to be executed by each Holder and each member of The Hake Group of Companies in connection herewith, (collectively, the "Ancillary Documents") do and will constitute, the legal, valid and binding obligation of such Holder and such member of The Hake Group of Companies, enforceable against them in accordance with their respective terms. Each Holder and each member of The Hake Group of Companies executing and delivering this Agreement and/or an Ancillary Agreement in connection herewith has the requisite right, power, authority and capacity, corporate, partnership, limited liability company or otherwise, to execute and deliver this Agreement and the Ancillary Documents, and to perform their respective obligations under this Agreement and the Ancillary Documents. Each Holder and each member of The Hake Group of Companies is an individual, corporation, partnership, limited liability company or other entity as set forth on Schedule 5.02 hereto, and each entity is duly organized, validly existing and

in good standing under the laws of the State of its organization as set forth on Schedule 5.02. No Holder or any member of The Hake Group of Companies needs to give any notice to, make any filing with, or obtain any authorization, declaration, consent or approval of any Governmental Body in order to consummate the transactions contemplated herein and in the Ancillary Documents, other than the HSR Act filing described in Section 0below, and the filing of any releases under the UCC to the extent required to effect the transactions contemplated in this Agreement. Each member of The Hake Group of Companies has, and at all times has had, full corporate, partnership, limited liability company or other entity power and authority to own and lease its assets and properties as and where such assets and properties are now owned and leased, and to conduct its businesses as and where such businesses has been and is now being conducted. True and complete copies of the Organization Documents of each Holder and each member of The Hake Group of Companies that is an entity, as amended through the date hereof, have been delivered to Buyer.

Noncontravention. Neither the execution and delivery of this Agreement or any Ancillary Documents by any Holder or any member of The Hake Group of Companies, nor their compliance with or fulfillment of the terms, conditions and provisions hereof or thereof, will:

Violate any provision of their Organization Documents or violate any Legal Requirement or Order applicable to any such Holder or member (or their respective businesses), other than violations, if any, as would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of any member of The Hake Group of Companies or

With notice, the passage of time or both, conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any Person the right to accelerate, terminate, modify or cancel, any Hake Agreement, Governmental Authorization, or any instrument, arrangement or commitment to which any Holder or any member of The Hake Group of Companies is a party or by which it or any of their respective assets or properties are bound, or

Result in the imposition or creation of any Encumbrance, other than a Permitted Encumbrance, upon or with respect to any of the assets or properties owned or used by any Holder or any member of The Hake Group of Companies, or

Except as set forth on Schedule 5.03D., require any notice under any Hake Agreement, Order, Governmental Authorization, or any instrument, arrangement or commitment to which any Holder or any member of The Hake Group of Companies is a party or by which it or they are bound or to which any of its or their respective assets or properties are subject, or

Require the approval, consent, authorization or act of, or the making by any Holder or any member of The Hake Group of Companies of, any declaration, filing or registration with any Person other than the HSR Act filing described in Section 0and the releases of UCC Financing Statements referred to above.

Qualification of The Hake Group of Companies in Other States. Each member of The Hake Group of Companies is duly qualified to transact business as a foreign Person , and is in good standing or subsisting in the jurisdictions set forth on Schedule 5.04 hereto. Neither the nature of the business of, nor the character and location of the assets and properties owned or leased by,

any member of The Hake Group of Companies makes qualification of it as a foreign Person necessary under the laws of any jurisdiction other than as set forth on Schedule 5.04, except for such jurisdictions where the failure to so qualify would not have a material adverse affect upon any Hake Agreement or the business of The Hake Group of Companies.

Ownership of Equity Interests. Each Holder holds of record and owns beneficially, and will transfer and deliver to Buyer at the Closing, all of the Equity Interests of Hake Group, Inc., which represent 100% of the issued and outstanding Equity Interests of Hake Group, Inc., free and clear of all Encumbrances. At Closing, Hake Group, Inc. owns, either directly or indirectly through a wholly-owned Entity, 100% of the Equity Interests of each member of the Hake Group of Companies except for Ragner Hake LLC, which is owned 50% by one of the Hake Group of Companies (Frank W. Hake, Inc.) and 50% by Ragner Benson, Inc.

Capitalization. The authorized capitalization of each member of The Hake Group of Companies is as set forth on Schedule 5.06. All of the Equity Interests of each member of The Hake Group of Companies are duly authorized, validly issued, fully-paid and non-assessable, and no personal liability attaches to the ownership thereof.

No Outstanding Rights. Except as set forth on Schedule 5.07, there are no, nor is there any agreement, commitment or arrangement not yet fully performed which would result in any, outstanding agreements, arrangements, subscriptions, options, warrants, calls, rights or other commitments of any character relating to the issuance, sale, purchase or redemption of any Equity Interests of any member of The Hake Group of Companies.

Securities Issued in Compliance With Laws. None of the Equity Interests has been issued in violation of any Legal Requirement pertaining to the issuance of securities, or in violation of any rights, pre-emptive or otherwise, of any present or past holder of any Equity Interests of any member of The Hake Group of Companies.

Financial Statements. Attached as Schedule 5.09 are the consolidated balance sheets, consolidated statements of income and retained earnings and the consolidated statement of cash flows as at June 30, 2002 and for each of the three fiscal years then ended, of The Hake Group of Companies prepared in accordance with GAAP (the "Financial Statements"). The balance sheet included in the financial statements as of June 30, 2002, is hereinafter referred to as the "Acquisition Date Balance Sheet." The Financial Statements (including the notes thereto, if any) represent actual, bona fide transactions, were prepared in accordance with GAAP, present fairly the consolidated financial condition of The Hake Group of Companies as of the respective dates of the Financial Statements, and the consolidated results of operations and changes retained earnings of The Hake Group of Companies for such periods, and are consistent with the books and records of The Hake Group of Companies. No financial statement of any Person other than The Hake Group of Companies is required by GAAP to be included in the Financial Statements.

Absence of Undisclosed Liabilities. As of June 30, 2002, none of The Hake Group of Companies has any debts, obligations, duties or liabilities of any nature, whether known or unknown, whether fixed, absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether asserted or unasserted and whether due or to become due (collectively, "Liability"), except as shown (and in the amounts shown) on the face of the Acquisition Date Balance Sheet (including the notes thereto) or on Schedule 5.10.

From the date of the Acquisition Date Balance Sheet through the date hereof, and except as shown on Schedule 5.10, The Hake Group of Companies have not incurred or become subject to any Liability, other than Liabilities incurred in the Ordinary Course of Business of The Hake Group of Companies, all of which have been paid in full in the Ordinary Course of Business or are reflected on the regular books of account of The Hake Group of Companies, and none of which is inconsistent with the representations, warranties and covenants of the Holders contained in this Agreement or with any other provisions of this Agreement, other than inconsistencies, if any, as would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of any member of The Hake Group of Companies.

#### Absence of Certain Events.

Since June 30, 2002 to the date hereof, no member of The Hake Group of Companies has, except as set forth on the Schedules referred to in this Section 5.11:

except as set forth on Schedule 5.11A.1, issued, sold, purchased or redeemed any stock, bonds, debentures, notes or other Equity Interests, or issued, sold or granted any option, warrant or right to acquire any thereof;

waived or released any debts, claims, rights of value or suffered any extraordinary loss or written down the value of any inventories or other assets or written down or off any receivable in excess of \$25,000 for any single transaction or series of related transactions, or in excess of \$50,000 in the aggregate;

except as set forth on Schedule 5.11A.3, made any capital expenditures or capital commitments in excess of \$10,000 for any single transaction or series of related transactions, or in excess of \$50,000 in the aggregate;

made any change in its business or operations or the manner of conducting its business or operations, other than changes in the Ordinary Course of Business of such member and other than changes as would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of any member of The Hake Group of Companies;

terminated, placed on probation, disciplined, warned, or experienced any material dissatisfaction with, any officer;

experienced any resignations of, or had any disputes involving the employment or agency relationship with any of, its officers;

suffered any casualty, damage, destruction or loss to any of its properties in excess of \$25,000 for any one event or in excess of \$50,000 in the aggregate;

except as set forth on Schedule 5.11A.8 declared, set aside or paid any dividends or distributions in respect of Equity Interests;

except as set forth on Schedule 5.11 A.9, paid or obligated itself to pay any bonuses or extraordinary compensation to, or made any increase (except increases in the Ordinary Course of Business of such member or required by any union contract) in the compensation payable (or to become payable by it) to, any of its directors, officers, employees, agents or other representatives;

terminated or amended or suffered the termination or amendment of any material contract, lease, agreement, license or other instrument to which it is or was a party;

adopted, modified or amended any plan or agreement listed on Schedule 5.11 A.10 as to increase the benefits due the employees of such member under any such plan or agreement;

except as set forth on Schedule 5.11 A.12, made any loan or advance to any Person (except a normal travel or other reasonable expense advance to its officers and employees);

suffered any material adverse change in its business, financial condition, results of operations, assets or properties;

subjected or agreed to subject any of its assets or properties to any Encumbrances (other than Permitted Encumbrances);

paid any funds to any of its officers or directors, or to any family member of any of them, or any Person in which any of the foregoing have any direct or indirect interest, except for the payment of installments of annual salaries, bonuses accrued and normal travel or other reasonable expense advances, each in the Ordinary Course of Business of such member consistent with past practices;

disposed of or agreed to dispose of any of its properties or assets other than in the Ordinary Course of Business and except as contemplated in this Agreement;

entered into any transactions other than in the Ordinary Course of Business (except for the transactions contemplated in this Agreement), and except for transactions as would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of any member of The Hake Group of Companies;

except as set forth on Schedule 5.11A.18 made any change in its accounting principles, methods or practices;

entered into any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving consideration or goods and/or services having a value in excess of \$25,000, or having a term greater than one (1) year in length, but excluding WIP

Contracts and contracts for goods and services in the Ordinary Course of Business that have been opened and closed after June 30, 2002;

delayed or postponed the payment of any accounts payable or other Liabilities outside the Ordinary Course of Business of such member;

been a party to any other transaction outside the Ordinary Course of Business of such member, except where the same would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case or \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of any member of The Hake Group of Companies; or

not granted credit to any material customer or other Person on terms more favorable than the terms on which credit has been extended to such customer or other Person in the past, or materially changed the terms of any such credit previously extended; or

entered into any agreement or commitment (whether or not in writing) to do any of the foregoing.

Since June 30, 2002 to the date hereof, each member of The Hake Group of Companies has, except as set forth on the Schedules referred to in this Section 5.11:

used its best efforts to preserve its business and organization, and to keep available, without entering into any binding agreement other than those listed in the disclosure schedules hereto, the services of its employees, and to preserve the goodwill of its customers and others having business relationships with it; and

continued its business and maintained its assets, properties, operations, books of account, and other books, records and files in the Ordinary Course of Business.

Books of Account, Records and Minute Books. Prior to the execution of this Agreement, The Hake Group of Companies has made available to Buyer for its examination the books of account, records (including without limitation, computer data and records) and minute books of each member of The Hake Group of Companies. Such books of account and records are true and complete in all material respects and have been maintained in accordance with sound business practices. The minute books of each member of The Hake Group of Companies contain accurate and complete records of all meetings held of, and corporate or other entity action taken by, the stockholders (or other holders of Equity Interests), the board of directors (or other governing body) and the committees of the board of directors (or other governing body) of The Hake Group of Companies, and no regular or special meeting of any such Persons has been held for which minutes have not been prepared and are not contained in such minute books. No changes or additions to the books and records of any member of The Hake Group of Companies have been made as of or for the period prior to the date such books and records were first made available to Buyer, and nothing which should be set forth in said books and records, if prepared in the usual and customary manner of The Hake Group of Companies, has occurred from the date such books and records were first made available to Buyer, except for such changes, additions or events which have been made or have occurred, as the case may be, in the Ordinary Course of Business

of such member. At the Closing all books and records shall be in the possession of The Hake Group of Companies.

Certain Payments. No member of The Hake Group of Companies, or to Holders' Knowledge any other Person associated with or acting on behalf of any member of The Hake Group of Companies, has directly or indirectly made any contribution or paid or delivered, or committed itself or himself to pay or deliver, any fee, commission, gift, bribe, rebate, payoff, influence payment or kickback, regardless of form, whether in money, property or services, or any other payment of money or items of property or services, however characterized, to any Person that in any manner is related to the business or operations of any member of The Hake Group of Companies, and which any Holder knows, or has reason to believe, were or are illegal under any Legal Requirement.

Compliance With Legal Requirements. Except with respect to (i) the Benefit Plans and related trust agreements and annuity contracts of The Hake Group of Companies, and all "group health plans" (as defined in section 4980B(g)(2) of the Code) of The Hake Group of Companies (which are the subject of Section 0 and Section 0, respectively), (ii) environmental matters (which are the subject of Sections 0 through 0), (iii) labor matters (which are the subject of Section 0), (iv) Orders (which are the subject of Section 0), and (v) Tax matters (which are the subject of 0):

Each member of The Hake Group of Companies is, and at all times has been, in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets, except where the failure to be in compliance would subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of any member of The Hake Group of Companies.

No event has occurred, nor does any circumstance exist, that (with or without notice or lapse of time) (1) may constitute or result in a violation by any member of The Hake Group of Companies of, or a failure on the part of any member of The Hake Group of Companies to, comply with any Legal Requirement except where the failure to so comply would subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable or result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000, or (2) may give rise to any obligation on the part of any member of The Hake Group of Companies to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, except for such violations or obligations, if any, that would not subject that member to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any of the agreements of The Hake Group of Companies void or unenforceable, result in any such forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of such member.

No member of The Hake Group of Companies has received any written notice or other written communication from any Person, or to Holders' Knowledge an oral notice, regarding (1) any actual or alleged violation of, or failure to comply with, any Legal Requirement, or (2) any actual or alleged obligation on the part of that or any other member of The Hake Group of Companies to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

Governmental Authorizations.

Schedule 5.15 contains a complete and accurate list of each Governmental Authorization that is held by any of The Hake Group of Companies or that otherwise relates to the business of, or to any of the assets owned or used by, any of The Hake Group of Companies except for such Governmental Authorizations where the failure to obtain it would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000. The Governmental Authorizations listed in Schedule 5.15 collectively constitute all of the Governmental Authorizations necessary to permit The Hake Group of Companies to lawfully conduct and operate their businesses in the manner currently conducted and operated, and to permit The Hake Group of Companies to own and use their assets in the manner in which they currently own and use such assets, except for such Governmental Authorizations the absence of which would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000. There will not be a material adverse effect on or with respect to such Governmental Authorizations or The Hake Group of Companies' maintenance of the same as a result of the consummation of the transactions contemplated in this Agreement or in the Ancillary Documents. Each Governmental Authorization listed or required to be listed in Schedule 5.15 is valid and in full force and effect.

Except as set forth in Schedule 5.15:

Each member of The Hake Group of Companies is, and at all times has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 5.15, except where the failure to be in such compliance would not subject that member to a penalty, fine or judgment in excess of \$5,000 in any one case or \$25,000 in the aggregate or render any of the Agreements of The Hake Group of Companies void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000 or otherwise have a material adverse effect on the business of The Hake Group of Companies;

No event has occurred, nor does any circumstance exist, that may (with or without notice or lapse of time) (a) constitute or is reasonably likely to result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 5.15, or (b) is reasonably likely to result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 5.15;

No member of The Hake Group of Companies has received any written notice or other written communication from any Governmental Body or any other Person, or to Holders' Knowledge any oral notice, regarding (a) any actual or alleged violation of or failure to comply with any term or requirement of any Governmental Authorization, or (b) any actual or proposed revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

All applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 5.15 have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made

with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies except such as would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case or \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any of its properties or assets having a value in excess of \$5,000.

Condition of Computers. Except as disclosed on Schedule 5.16, to the Holders' Knowledge, all computers and computer systems owned, leased or used by The Hake Group of Companies (the "Computers") are in operating order and fulfill the purposes for which they were acquired or are currently used and have adequate capacity for the present needs of the Hake Group of Companies.

Condition of Software. Except as disclosed on Schedule 5.17, to the Holders' Knowledge, all software used on or stored or resident in the Computers ("Software") is validly licensed to or owned by the Hake Group of Companies. To Holders' knowledge, such software materially performs in accordance with its specifications and does not contain any known defect or feature which may adversely affect its performance. To Holders' knowledge, all software written or commissioned by any employee of a member of the Hake Group of Companies is lawfully held and used and does not infringe the intellectual property rights of any Person.

Ownership of Software. Except as provided on Schedule 5.18, no Software owned by or licensed to any member of The Hake Group of Companies is licensed or sublicensed by that member to any other Person who is not a member of The Hake Group of Companies.

Condition and Sufficiency of Assets. The buildings, plants, facilities, structures and equipment of The Hake Group of Companies are free from known structural or mechanical defects, have been maintained in accordance with normal industry practice, are in good operating condition and repair (subject to normal wear and tear), and are suitable for the purposes for which they presently are used and presently proposed to be used, and to the Holders' Knowledge, none of such buildings, plants, facilities, structures or equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, and equipment of The Hake Group of Companies are sufficient for the continued conduct of their businesses after the Closing in substantially the same manner as conducted prior to the Closing.

Contracts. Schedule 5.20 contains a complete and accurate list of the following types and forms of contracts and other agreements to which any of The Hake Group of Companies is a party or by which any of its assets or properties are bound and which have not been fully performed:

any agreement (or group of related agreements), written or oral, for the lease of personal property to or from any Person providing for lease payments in excess of \$50,000 per annum or which may not be terminated by the relevant member of The Hake Group of Companies without penalty or payment on 90 days, or less, notice;

any agreement (or group of related agreements) for the purchase or sale of real property, improvements, raw materials, commodities, equipment, supplies, products, or other real or personal property, or for the furnishing or receipt of services, the performance of which shall (i) extend over a period of more than one year, (ii) result in a material loss to any of The Hake Group of Companies, or (iii) involve consideration in excess of \$250,000; except with respect to

subcontracts relating to WIP Contracts, Schedule 5.20 contains a list of Persons with which any member of the Hake Group of Companies has a contractual relationship;

any agreement concerning a partnership or limited partnership, joint venture, limited liability company or limited liability partnership, including any agreement with or involving such an organization which provides for a sharing of profits, losses, costs or liabilities of The Hake Group of Companies (or any of them) or such organization with any Person not a member of The Hake Group of Companies;

any agreement granting a power of attorney to any Person;

any contract, arrangement or commitment with a labor union or association or other employee group;

any easements, right-of-way agreements or other similar agreements or rights;

any agreements, commitments or pledges for civic or charitable donations in amounts greater than \$5,000 per transaction or \$25,000 in any 12 month period;

any agreement involving a warranty, guaranty or other similar understanding with respect to contractual performance extended by any of The Hake Group of Companies;

any agreement (or group of related agreements) under which any member of The Hake Group of Companies has created, incurred, assumed or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, in excess of \$25,000 or under which it has imposed an Encumbrance on any of its assets or properties, tangible or intangible, other than a Permitted Encumbrance;

any agreement containing covenants by any member of The Hake Group of Companies not-to-compete in any line of business with any Person, or restricting the customers from whom, or the area in which, any member of The Hake Group of Companies may solicit or conduct business, or any contract, arrangement or commitment involving a covenant of confidentiality;

any agreement under which it has advanced, lent or borrowed any amount of money or property to or from any of its directors, officers, shareholders or employees (other than advances to employees for expenses in the Ordinary Course of Business);

any agreement under which the consequences of a default or termination could have a material adverse effect on the business, financial condition, results of operations, assets or properties of any member of The Hake Group of Companies;

any agreement not made in the Ordinary Course of Business of any member of The Hake Group of Companies; or

any other agreement (or group of related agreements) not of the nature identified in paragraphs A through M above, the performance of which involves consideration in excess of \$50,000 or has a term in excess of one year; or

any employee collective bargaining agreement, employment or independent contractor agreement (other than agreements terminable by that member without premium or penalty on notice of 30 days or less under which the only monetary obligation of that member is to make current wage or salary payments and provide current employee benefits), consulting, advisory or service agreement,

deferred compensation agreement, in any such case which involves consideration in excess of \$50,000.

The Holders have delivered to Buyer a correct and complete copy of each WIP Contract and of each other written agreement listed in Schedule 5.20 (collectively, the "Hake Agreements"), and a written summary setting forth the terms and conditions of each oral agreement referred to in Schedule 5.20.

Benefit Plans. Schedule 5.21 lists all deferred compensation, pension, profit sharing, stock option, stock purchase, savings, group insurance and retirement plans, and all vacation pay, severance pay, incentive compensation, consulting, bonus and other employee benefit or fringe benefit plans or arrangements (other than Multi-employer Plans as defined in section 3(37) of ERISA) maintained or contributed to by The Hake Group of Companies or any other trade or business that is included in a group of business or corporations that is treated as a single employer under Code ss.ss.414(b), (c), (m), or (o) ("Benefit Plans"). The Hake Group of Companies also contributes to Multi-employer Plans as disclosed to Buyer in the various collective bargaining agreements to which Buyer has been provided access. The consummation of the transactions contemplated in this Agreement shall not result in the payment, vesting or acceleration of any benefit or right under any Benefit Plan. The Hake Group of Companies has no agreements with any employees for which the transactions contemplated by this Agreement would cause additional payments, acceleration of benefits or any other compensation or benefit.

Intentionally Omitted.

Pension Plans. None of the Benefit Plans (other than Multi-employer Plans) is a defined benefit plan or a money purchase plan subject to section 412 of the Code or to Title IV of ERISA. There is no Liability, and there are no circumstances which may arise which would give rise to any such Liability, of any member of The Hake Group of Companies or Buyer of Matrix to the Pension Benefit Guaranty Corporation ("PBGC") under Title IV of ERISA.

Compliance of Benefit Plans With ERISA and Code. Each member of The Hake Group of Companies has performed all of its obligations under all Benefit Plans and has made appropriate entries in its financial records and statements for all Liabilities under all Benefit Plans that have accrued but are not due. All of the Benefit Plans and any related trust agreements or annuity contracts (or any funding instrument) comply currently, and have complied in the past, with the provisions of ERISA and the Code, where required in order to be a qualified plan under section 401(a) of the Code and tax exempt under section 501 of the Code, and all other Legal Requirements, and any applicable collective bargaining agreements. No event has occurred or circumstance exists that is reasonably expected to give rise to disqualification or loss of tax exempt status of any such Plan or trust, or result in any Tax, excise Tax, fines or penalties, or amounts required to be paid under any settlement with the U.S. Department of Labor, the IRS or the PBGC. Neither The Hake Group of Companies, nor any Person who is a fiduciary or otherwise has a trust relationship with a Benefit Plan, has any liability to the Benefit Plan, the IRS, the Department of Labor, or the PBGC with respect to a Benefit Plan, or any Liability under sections 502(l) or 4071 of ERISA. All contributions and payments made or accrued with respect to all Benefit Plans are deductible under the Code. No amount, or any asset of any Benefit Plan, is subject to Tax as unrelated business taxable income. All filings required by ERISA and the Code as to each Benefit Plan have been timely filed, and all notices and disclosures to

participants required by either ERISA or the Code have been timely provided. Other than routine Claims for benefits submitted by participants or beneficiaries in the ordinary course, no Claim against, or Proceeding involving any Benefit Plan is pending or Threatened. No payment that is owed or may become due to any director, officer, employee or agent of any member of The Hake Group of Companies will be non-deductible to such member or subject to Tax under sections 280G or 4999 of the Code, nor shall such member be required to "gross-up" or otherwise compensate any such person because of the imposition of any Tax or excise Tax on a payment to such person.

Multi-employer Plans. Neither The Hake Group of Companies nor an ERISA Affiliate has received any notice from any Multi-Employer Plan that it is in reorganization or is insolvent, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of any Tax, excise Tax, or that such plan intends to terminate or has terminated. None of The Hake Group of Companies nor an ERISA Affiliate has withdrawn from any Multi-Employer Plan with respect to which there is any outstanding Liability as of the date hereof. No event has occurred or circumstance exists that presents a risk of the occurrence of any withdrawal from any Multi-Employer Plan that could result in any Liability of any member of The Hake Group of Companies or Buyer or Matrix to a Multi-Employer Plan.

Post-Retirement Benefits. Schedule 5.26 contains a calculation of the Liability of each member of The Hake Group of Companies for post-retirement benefits for its past and present officers, employees and directors (or their dependents or beneficiaries) other than pensions, made in accordance with Financial Accounting Statement 106 of the Financial Accounting Standards Board, regardless of whether such member is required by such Statement to disclose such information. Except as set forth on Schedule 5.26 or as required by section 601 et seq. of ERISA and section 4980B of the Code, no member of The Hake Group of Companies provides, or is obligated to provide, health or welfare benefits (including without limitation, retiree medical insurance coverage or retiree life insurance coverage) for any retired or former officer, employee or director, or any dependents or beneficiaries of the same, nor is it obligated to provide any health or welfare benefits to any active employee following such employee's retirement or other termination of service. Each of The Hake Group of Companies has the right to modify and terminate post-retirement benefits to retirees or their dependents or beneficiaries (other than Pension Plan benefits) with respect to both retired and active officers, employees and directors. To the extent of such health or welfare benefits to retirees (or their dependents or beneficiaries), Schedule 5.26 sets forth the name, medical insurance coverage, and life insurance coverage for such retirees, dependents or beneficiaries.

Administration and Cost of Plans. Each of the Welfare Plans and Pension Plans has been administered in material compliance with the requirements of the Code and ERISA and all reports required by any governmental agency with respect to each such Plan have been timely filed. No statement, either written or oral, has been made by any of The Hake Group of Companies or an ERISA Affiliate to any Person with regard to any Benefit Plan that was not in accordance with the Benefit Plan and that could have an adverse economic consequence to The Hake Group of Companies or Buyer or Matrix. Each Benefit Plan (other than Benefit Plans subject to collective bargaining agreements), can be terminated within 30 days without payment of any additional contribution or amount and without the vesting or acceleration of any benefits promised by such Plan. None of The Hake Group of Companies nor an ERISA Affiliate has

filed a notice of intent to terminate any current Plan or has adopted any amendment to treat a Plan as terminated.

No Prohibited Transactions. None of The Hake Group of Companies, nor any of their respective directors, officers or employees who are fiduciaries, nor any other fiduciary of any of the Pension Plans or Welfare Plans, has engaged in any transaction in violation of section 406 of ERISA (for which no exemption exists under section 408 of ERISA) or any "prohibited transaction" (as defined in section 4975(c)(1) of the Code) for which no exemption exists under sections 4975(c)(2) or 4975(d) of the Code.

Intentionally Omitted.

Intentionally Omitted.

Copies of Documents. The Holders have furnished to Buyer a true and complete copy of all documents that set forth the terms of each Benefit Plan (other than Multi-Employer Plans) described in Schedule 5.21 and the summary plan description which any of The Hake Group of Companies or an ERISA Affiliate is obligated to prepare for such plans, and all summaries and descriptions furnished to participants and beneficiaries by The Hake Group of Companies regarding Benefit Plans for which a summary plan description is not required. In addition, The Hake Group of Companies has furnished to Buyer:

a written description of any Benefit Plan, program or practice that is not otherwise in writing;

all personnel, payroll, and employment manuals and policies;

all collective bargaining agreements pursuant to which contributions have been made or obligations incurred (including both pension and welfare benefits) by any of The Hake Group of Companies and all collective bargaining agreements pursuant to which contributions are being made or obligations are owed by any of The Hake Group of Companies;

all registration statements filed with respect to any Benefit Plan;

all insurance policies purchased by or to provide benefits under any Benefit Plan (other than Multi-Employer Plans);

all contracts with third party administrators, actuaries, investment managers, consultants, and other independent contractors that relate to any Benefit Plan (other than Multi-Employer Plans);

the most recent favorable determination letter for any Benefit Plan that is a retirement plan sponsored by The Hake Group of Companies;

the annual return (Form 5500 or Form 990 series) filed in each of the most recent three plan years with respect to each Benefit Plan (other than Multi-Employer Plans), including all schedules thereto and the opinions of independent accountants;

all notices that were given by any Governmental Body to any of The Hake Group of Companies, an ERISA Affiliate or any Benefit Plan (other than Multi-Employer Plans) within the four years preceding the date of this Agreement, other than routine correspondence concerning applications for determination letters and filing of annual reports;

Intentionally Omitted.

List of Employees. Set forth on Schedule 5.33 is a true and complete list of all officers and non-field employees of The Hake Group of Companies on the date hereof along with the amount of the current annual salaries or hourly rate, job title and vacation accrued, along with a full and complete description of any commitments to such officers and employees with respect to compensation payable after the date of this Agreement. None of The Hake Group of Companies has, because of past practices or previous commitments with respect to its officers or employees, established any rights or expectations on the part of such officers or employees to receive additional compensation inconsistent with past practices with respect to any period after the date hereof. None of the officers or employees of The Hake Group of Companies has given notice to any Holder or any officer or director of The Hake Group of Companies that he or she intends to leave their employment. Except as set forth in Schedule 5.33, none of The Hake Group of Companies has reason to believe that any of its officers or senior salaried managers shall leave such employment. Set forth on Schedule 5.33 is a description of all claims made against The Hake Group of Companies by their officers or employees within the last 24 months. No officer or employee of The Hake Group of Companies is employed outside the United States of America.

Compliance with Environmental Laws. Except as set forth on Schedule 5.34, each member of The Hake Group of Companies is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law, except for such violations or non-compliance (each an "Immaterial Violation"), if any, that would (i) not subject any member of The Hake Group of Companies to, or cause any of The Hake Group of Companies to suffer or incur, any penalty, fine, judgment, remediation, cost or other Damage in excess of \$5,000 for any one violation or event of non-compliance or \$25,000 in the aggregate, (ii) not render any of Hake Agreements void or unenforceable, (iii) not result in any forfeiture of title to any of the properties or assets of any of The Hake Group of Companies in excess of \$5,000, and (iv) not otherwise have a material adverse effect on the business or operations of any of The Hake Group of Companies. To the Holders' Knowledge, there has not been nor does there now exist any Immaterial Violations of any Environmental Laws by any of The Hake Group of Companies, except to the extent set forth on Schedule 5.34. No Holder nor any member of The Hake Group of Companies has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held to be responsible received, any actual or Threatened Order, notice, or other communication from any Governmental Body or private citizen acting in the public interest, or from the current or prior owner or operator of any Facilities, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or Threatened obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which any of The Hake Group of Companies now has or has had an interest, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by The Hake Group of Companies, or any other Person for whose conduct they are or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

No Environmental Claims. Except as set forth on Schedule 5.35, there are no pending or, to the Holders' Knowledge, Threatened Claims, Encumbrances, Proceedings or other restrictions of any nature, resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which (i) any member of The Hake Group of Companies has or has had an interest, or (ii) any Holder has an interest that pertains to the use and operation of such properties or assets by a member of The Hake Group of Companies.

No Environmental Orders. Except as set forth on Schedule 5.36, no Holder or any member of The Hake Group of Companies has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held responsible, received any citation, directive, inquiry, notice, order, summons, warning, or other communication that relates to Hazardous Activity, Hazardous Materials, or any alleged, actual, or potential violation or failure to comply with any Environmental Law, or of any alleged, actual, or potential obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any properties of any member of The Hake Group of Companies or of any other Person. To Holders' Knowledge, no Person who owns or operates on any property to which Hazardous Materials generated, manufactured, refined, transferred, imported, used or processed by The Hake Group of Companies, has received any citation, directive, inquiry, notice, order, summons, warning, or other communication that relates to such Hazardous Activity, Hazardous Materials, alleging any actual or potential violation or failure to comply with any Environmental Law.

No Environmental Liabilities. Except as set forth on Schedule 5.37, no Holder or any member of The Hake Group of Companies, or to Holders' Knowledge, any other Person for whose conduct they are or may be held responsible, has any Environmental, Health, and Safety Liabilities with respect to any property now or previously held by any of The Hake Group of Companies (or any of its predecessors) No member of The Hake Group of Companies has any Environmental, Health, and Safety Liabilities with respect to any goods or services provided in the Ordinary Course of Business, except for such liabilities (each an "Immaterial Liability"), if any, that would not result in any of the events or circumstances described in Subclauses (i) through (iv) inclusive of Section 5.34, above. To the Holders' Knowledge, there has not occurred nor does there now exist any Immaterial Liabilities of any of The Hake Group of Companies.

No Hazardous Materials. Except as set forth on Schedule 5.38, there are no Hazardous Materials present on or in the Environment at the Facilities or that have migrated to any geologically or hydrologically adjoining property from the Facilities, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent, and deposited or located in land, water, sumps, or any other part of the Facilities or such adjoining property, or incorporated into any structure therein or thereon. No Holder or member of The Hake Group of Companies, or to Holders' Knowledge, any other Person for whose conduct they are or may be held responsible, has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Facilities or any other properties or assets (whether real, personal, or mixed) in which any of The Hake Group of Companies now has or has had an interest, that would constitute a violation of any Environmental Laws.

No Environmental Release. Except as set forth on Schedule 5.39, there has been no Release or, to the Holders' Knowledge, Threat of Release, of any Hazardous Materials at or from the Facilities or at any other locations where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used or processed from or by the Facilities, or from or by any other properties and assets (whether real, personal, or mixed) in which any of The Hake Group of Companies now has or has had an interest, or to Holders' Knowledge, any geologically or hydrologically adjoining property, whether by The Hake Group of Companies or any other Person.

Delivery of Environmental Reports, etc. The Holders have delivered to Buyer true and complete copies and results of all reports, studies, analyses, tests or monitoring possessed or initiated by the Holders of The Hake Group of Companies pertaining to Hazardous Materials or Hazardous Activities in, or under, the Facilities, or concerning compliance by The Hake Group of Companies or any other Person for whose conduct they are or may be held responsible with Environmental Laws.

Insurance.

Schedule 5.41 sets forth the following information with respect to each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage and bond and surety arrangements) to which any of The Hake Group of Companies has been a party, a named insured, or otherwise the beneficiary of coverage at any time within the past five (5) years:

The name, address, and telephone number of the agent.

The name of the insurer, the name of the policyholder, and the name of each covered insured.

The policy number and the period of coverage.

The scope (including an indication of whether the coverage was on a claims made, occurrence, or other basis) and amount (including a description of how deductibles and ceilings are calculated and operate) of coverage; and

A description of any retroactive premium adjustments or other loss-sharing arrangements.

Except as set forth on Schedule 5.41, to the extent any such insurance policy includes "occurrence" based coverages:

The policy is legal, valid, binding, enforceable and in full force and effect.

The consummation of the transactions contemplated in this Agreement shall not cause a loss of any coverage or other rights (if any) of The Hake Group of Companies thereunder and relating to losses, events or other circumstances occurring or existing prior to the Closing or which are otherwise Retained Liabilities.

To Holders' Knowledge, the policy has been issued by an insurer that is financially sound and reputable

None of The Hake Group of Companies is in breach or default (including with respect to the payment of premiums or the giving of notices), and no event has occurred which, with notice or the lapse of time, would constitute such a breach or default, or permit termination, modification, or acceleration, under the policy

The policy does not provide for any retrospective premium adjustment or other experience-based liability on the part of any of The Hake Group of Companies.

Taken together, the policies provide adequate insurance coverage for the assets and the operations of The Hake Group of Companies for all risks normally insured against by a reasonable Person carrying on the same business or businesses as The Hake Group of Companies.

No party to the policy has repudiated any provision thereof.

Each of The Hake Group of Companies has been covered during the past five (5) years by insurance in scope and amount considered reasonable by The Hake Group of Companies for the businesses in which it has engaged during the aforementioned period. Schedule 5.41 describes any self-insurance arrangements affecting any of The Hake Group of Companies. The Holders have provided access to copies of each insurance policy listed on Schedule 5.41 and to information regarding all claims for payment made by any of The Hake Group of Companies within the previous five (5) years under any such insurance policy listed on that Schedule.

Each of The Hake Group of Companies has obtained all insurance required to be obtained by it under any contract with any customer and no customer has made a claim under such insurance that has been denied for failure to have obtained the contractually required insurance.

Intellectual Property.

Definition of Intellectual Property. The term "Intellectual Property" as used in this Agreement shall mean and include all of the following:

The names of each member of The Hake Group of Companies, all fictional business names, trading names, registered and unregistered trademarks, service marks and applications (collectively, "Marks");

All patents, patent applications and inventions and discoveries that may be patentable (collectively, "Patents");

All original works of authorship fixed in any tangible medium protected by the Copyright Act, 17 U.S.C. (S)101 et seq. (collectively, "Copyrights");

All rights in mask works; and

All know-how, trade secrets, confidential information, customer lists, technical information, data, process technology, plans, forecasts, drawings and blue prints (collectively, "Trade Secrets").

Ownership of Intellectual Property. The Hake Group of Companies own or have the right to use all of the Intellectual Property used in the operation of their businesses as they are currently

conducted. Except for the Intellectual Property licensed by The Hake Group of Companies as a licensee, The Hake Group of Companies own all right, title, and interest in and to all of the Intellectual Property, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and have the right to use all of such Intellectual Property without payment to a third party.

Patents. The Hake Group of Companies owns no Patents and has no Patents pending before the Patent and Trademark Office.

Marks. Set forth on Schedule 5.45 is a complete and accurate list and summary description of all Marks, both registered and currently applied for. Except as disclosed on Schedule 5.45:

The Hake Group of Companies are the owners of all right, title, and interest in and to each of the registered Marks, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims.

No Marks have been registered with the United States Patent and Trademark Office.

No Mark has been or is now involved in any opposition, invalidation, cancellation or infringement action and, to the Holders' Knowledge, no such action is threatened against any of the Marks.

None of the Marks used by The Hake Group of Companies infringes or has been alleged in writing to infringe any trade name, trademark or service mark of any third party, nor, to the Holders' Knowledge, is there any potentially interfering trademark or trademark application of any other Person.

Copyrights. The Hake Group of Companies have no registered Copyrights.

Trade Secrets.

Each Trade Secret material to the business and operations of The Hake Group of Companies, and the documentation relating to such Trade Secret, is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.

The Hake Group of Companies have taken reasonable precautions to protect the secrecy, confidentiality, and value of the Trade Secrets.

The Trade Secrets are not part of the public knowledge or literature, and have not been used, divulged or appropriated either for the benefit of any other person or to the detriment of The Hake Group of Companies.

No Trade Secret is subject to any adverse claim made in writing and, to Holders' Knowledge, no Trade Secret has been challenged or threatened in any way.

Royalties. Schedule 5.48 contains a complete and accurate list including any royalties paid or received by The Hake Group of Companies, of all agreements or contracts relating to any of the Intellectual Property to which any member of The Hake Group of Companies is a party or by which it is bound, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available programs and except for contracts and agreements with a value of less than \$10,000 on an annual basis under which such member is the licensee. There are no

outstanding and to the Holders' Knowledge, no threatened disputes or disagreements relating to any such agreement.

Employee Agreements. On or before the Closing Date, the employees of The Hake Group of Companies named in Schedule 5.49, shall have executed written agreements with The Hake Group of Companies that assign to The Hake Group of Companies all rights to any inventions, improvements, discoveries, or information relating to the business of The Hake Group of Companies.

Labor Relations; Compliance. Except as set forth on Schedule 5.50, no member of The Hake Group of Companies has been nor is it now a party to any collective bargaining or other labor contract. Except as set forth on Schedule 5.50, there has not been, there is not presently pending or existing, and to Holders' Knowledge there is not presently Threatened,

Any strike, slowdown, picketing, work stoppage or employee grievance process.

Any Proceeding against or affecting any of The Hake Group of Companies relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting any of The Hake Group of Companies or its premises.

Any application for certification of a collective bargaining agent.

To Holders' Knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by any of The Hake Group of Companies, and no such action is contemplated by any of The Hake Group of Companies. Each of The Hake Group of Companies has complied in all material respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing. No member of The Hake Group of Companies is liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

Litigation; Compliance With Legal Requirements, Etc.

Proceedings. Except as set forth on Schedule 5.51A, and except for

Claims or Proceedings against or involving any of the Benefit Plans of The Hake Group of Companies (which are the subject of Sections 0-0)

Claims or Proceedings resulting from any Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law (which are the subject of Sections 0 through 0 and the Schedules related thereto).

Proceedings against any of The Hake Group of Companies relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters (which are the subject of Section0), and

Claims or Proceedings pending or proposed against any of The Hake Group of Companies relating to any Taxes or assessments or any Claims or deficiencies with respect thereto (which are the subject of 0),

there is no Claim or Proceeding pending or, to the Holders' Knowledge, Threatened, against or relating to any of The Hake Group of Companies or its properties or assets.

To the Holders' Knowledge, there is no basis for any such Claim or Proceedings or of any governmental investigation relative to The Hake Group of Companies, its properties or assets, and no event has occurred, nor does any circumstance exist, that may give rise to or serve as a basis for the commencement of any such Claim or Proceedings. No event or condition of any nature which might have a material adverse effect on the business, financial condition, results of operations or assets or properties of any of The Hake Group of Companies has occurred, exists or, to the Holders' Knowledge, is anticipated. To the Holders' Knowledge, no legislative or regulatory proposal has been adopted or is pending in any of the jurisdictions in which The Hake Group of Companies operate which could have a material adverse effect on the business, financial condition, results of operations or assets or properties of any of The Hake Group of Companies. The Proceedings listed on Schedule 5.51A shall not have a material adverse effect on the business, financial condition, results of operations or assets or properties of any of The Hake Group of Companies.

Orders. Except as set forth in Schedule 5.51B.,

There is no Order to which any member of The Hake Group of Companies, or any of the assets owned or used by any member of The Hake Group of Companies, is subject.

No officer, director, agent, or employee of any of The Hake Group of Companies is subject to any Order that prohibits such officer, director, agent, or employee from engaging in or continuing any conduct, activity or practice relating to the business of any of The Hake Group of Companies.

Each member of The Hake Group of Companies is, and at all times has been, in full compliance with all of the terms and requirements of each Order to which it, or any of the assets owned or used by it, is or has been subject;.

No event has occurred, nor does any circumstance exist that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any Order to which any of The Hake Group of Companies, or any of the assets owned or used by any of The Hake Group of Companies, is subject.

No member of The Hake Group of Companies has received any written notice or other written communication, and to Holders' Knowledge, no oral notice or communication has been received, from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any

Order to which such Member, or any of the assets owned or used by such member, is or has been subject.

No Agent, Finder or Broker. Except as set forth on Schedule 5.52, no member of The Hake Group of Companies has any Liability or obligation, contingent or otherwise, to pay any fees or commissions to any agent, broker or finder with respect to the transactions contemplated in this Agreement or the Ancillary Documents.

Product and Service Warranties. Each product manufactured, sold, leased or delivered by The Hake Group of Companies (or any of them), and each service provided by any one of them has been in conformity with all applicable contractual commitments and all express and implied warranties, and no member of The Hake Group of Companies has any Liability (nor is there any basis for any present or future Proceedings against it giving rise to any Liability) for replacement or repair thereof or other damages in connection therewith. No product manufactured, sold, leased or delivered by The Hake Group of Companies or any service is subject to any guaranty, warranty or other indemnity other than those entered into in the Ordinary Course of Business. The Hake Group of Companies does not maintain a reserve on its financial statements for warranty claims but does provide repairs and replacements to its customers free of charge during a period following the completion of a contract that since January 1, 2001, has not exceeded \$20,000 on any one contract or \$100,000 during any 12 month period. Schedule 5.53 includes a general description of how The Hake Group of Companies handles warranty claims on behalf of its customers.

Product and Service Liability. Except as disclosed on Schedule 5.54, no member of The Hake Group of Companies has any Liability (nor is there any basis for any present or future Proceedings against it giving rise to any Liability) arising out of any injury to individuals or property as a result of the ownership, possession or use of any service provided or any product manufactured, sold, leased or delivered by any of The Hake Group of Companies.

Real Property.

Owned Real Property. Schedule 5.55A lists and describes briefly all real property owned by the Hake Group of Companies as of the date of this Agreement. Except as provided on Schedule 5.55 A., with respect to such real property:

The relevant member of The Hake Group of Companies has good and marketable title to such real property, free and clear of any Encumbrances (other than Permitted Encumbrances).

There are no pending, or to the Holders' Knowledge, Threatened condemnation Proceedings relating to such real property or other matters affecting materially and adversely the current use, occupancy or value thereof;

The legal description for the such real property contained in the deed thereof describes such parcel fully and adequately, the buildings and improvements are located within the boundary lines of the described parcels of land, are not in violation of applicable setback requirements, zoning laws and ordinances (and none of the properties or buildings or improvements thereon are subject to "permitted non-conforming use" or "permitted non-conforming structure" classifications), and do not encroach on any easement which may burden the land, and the land

does not serve any adjoining property for any purpose inconsistent with the use of the land, and the property is not located within any flood plain or subject to any similar type restriction for which any permits or licenses necessary to the use thereof have not been obtained.

All facilities on the such real property have received all Governmental Authorizations required in connection with the ownership or operation thereof and have been operated and maintained in accordance with all applicable Legal Requirements except for violations, if any, as would not subject any member of The Hake Group of Companies to a penalty, fine or judgment in excess of \$5,000 in any one case of \$25,000 in the aggregate or render any Hake Agreement void or unenforceable, result in any forfeiture of title to any such real property.

There are no leases, subleases, licenses, concessions or other agreements, written or oral, granting to any Person the right of use or occupancy of any portion of the parcel of such real property.

There are no outstanding options or rights of first refusal to purchase the real property, or any portion thereof or interest therein.

There are no Persons (other than the applicable member of The Hake Group of Companies) or Governmental Bodies in possession of the real Property.

All facilities located on the real property are supplied with utilities and other services necessary for the operation of such facilities, including gas, electricity, water, telephone, sanitary sewer, and storm sewer, all of which services are adequate in accordance with all applicable Legal Requirements and are provided via public roads or via permanent, irrevocable, appurtenant easements benefiting the parcel of real property.

The real Property abuts on and has direct vehicular access to a public road, or has access to a public road via a permanent, irrevocable, appurtenant easement benefiting the parcel of real property, and access to the property is provided by paved public right-of-way with adequate curb cuts available.

Leased Real Property. Except as provided on Schedule 5.55 B, no member of The Hake Group of Companies leases any real property except from another member of The Hake Group of Companies.

Similar Business Ownership. To the Holders' Knowledge, and except as set forth on Schedule 5.56, no Holder and no officer, director or employee of any member of The Hake Group of Companies, or any family member of any of them:

Owns, directly or indirectly, any interest in (other than through ownership of not more than 5% of the securities of a public company), or is an officer, director or principal of, any corporation, partnership, proprietorship, association or other entity which is engaged in a business similar to that of any member of The Hake Group of Companies, or which has conducted any business with any member of The Hake Group of Companies, or which is a party to any contract or agreement to which any member of The Hake Group of Companies is a party or to which it may be bound, which contract or agreement cannot be terminated by The Hake Group of Companies upon not more than 90 days notice without premium or penalty.

Has directly or indirectly engaged in any transaction with any member of The Hake Group of Companies, except transactions inherent in the capacity of such person as an officer, director or employee, or

Owns, directly or indirectly, in whole or in part, any property, assets or rights, real, personal or mixed, tangible or intangible, which are associated with or necessary for the use, operation or conduct of any of the businesses, assets or operations of any member of The Hake Group of Companies.

Status of Contracts and Leases. Each of the Hake Agreements constitutes a legal, valid, binding and enforceable obligation of the parties thereto and is in full force and effect, and except for those Hake Agreements which by their terms shall expire prior to the Closing Date or are, with the prior written consent of Buyer, otherwise terminated prior to the Closing Date in accordance with the provisions thereof, the transactions contemplated in this Agreement shall not have a material adverse effect on the Hake Agreements, and they shall continue in full force and effect thereafter, in each case without breaching the terms thereof or resulting in the forfeiture or impairment of any rights thereunder, and without the consent, approval or act of, or the making of any filing with, any other party, except as set forth on Schedule 5.57. Each of The Hake Group of Companies has fulfilled and performed in all material respects its obligations under each of Hake Agreements, and The Hake Group of Companies are not in, or alleged in writing to be in (or to Holders' Knowledge, alleged orally to be in), breach or default under, nor is there or is there alleged to be any basis for termination of, any of the Hake Agreements and, to the knowledge of Holders, no other party to any of the Hake Agreements has breached or defaulted thereunder, and no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would constitute such a default or breach by The Hake Group of Companies or, to the Holders' Knowledge, by any such other party. No member of The Hake Group of Companies is currently renegotiating any of the Hake Agreements or paying liquidated damages in lieu of performance thereunder. True and complete copies of each of the Hake Agreements have heretofore been made available to Buyer by the Holders. No party has given notice to the Hake Group of Companies that it has repudiated any provision of any Hake Agreement, and, except as set forth on Schedule 5.57, there are no existing disputes between The Hake Group of Companies and the other parties which, if determined adversely to

The Hake Group of Companies could result in damages to The Hake Group of Companies in excess of \$5,000 in any one case or \$25,000 in the aggregate or render any Hake Agreement void or unenforceable or result in any loss of title to any of its properties or assets having a value in excess of \$5,000.

Studies. The Hake Group of Companies has made available to Buyer copies of all engineering studies, reports or assessments and other reports and studies requested by Buyer that are material to the businesses of The Hake Group of Companies.

Bank Accounts. Attached as Schedule 5.59 is a true and complete list of the name of each bank, brokerage firm and other financial institution with which any member of The Hake Group of Companies has a depository, trading, margin, purchase, lending, borrowing or similar account, a line of credit, or from which The Hake Group of Companies are authorized to effect loans, or any safe deposit boxes, and the names of all persons authorized to draw on such accounts, effect such loans or who have access to such safe deposit boxes.

Payment of Union Fringe Benefits. Each member of The Hake Group of Companies has paid or will pay in full all union fringe benefits, including but not limited to, pension, health, welfare and annuities, payable for all periods ending with or prior to the Closing Date.

No Liquidated Damages. There is no, and at the Closing Date there will be no, liability of any member of The Hake Group of Companies for liquidated damages under or with respect to any WIP Contract or contracts now closed or completed which would have been WIP Contracts if not closed or completed.

Completeness of Statement; Effect of Representations and Warranties. No representation or warranty of Holders in this Agreement, including representations and warranties made in provisions of this Agreement other than in Article V, contains any untrue statement of a material fact, omits any material fact necessary to make such representation or warranty, under the circumstances which it was made, not misleading, or contains any misstatement of a material fact. The Holders have disclosed all adverse facts known to them relating to the representations and warranties. All representations and warranties contained in this Article V and in other Sections of this Agreement are correct and complete as of the date hereof and shall be correct and complete in all material respects (or, with respect to representations and warranties that are expressly subject to materiality or that include a specific dollar threshold, in all respects) as of the Closing Date as though made then with the Closing Date being substituted for the date hereof throughout this Section 5.65. Nothing in any auditor's report to The Hake Group of Companies shall be deemed adequate to disclose an exception to a representation or warranty made herein. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made in this Agreement (unless the representation or warranty has to do with the existence of the document or other item itself). All of the representations and warranties made by the Holders are made with the knowledge, expectation, understanding and desire that Buyer and Matrix places complete reliance thereon. Neither the representations and warranties of the Holders, nor the indemnification obligations of the Holders, shall be affected, qualified, modified or deemed waived by reason of the fact that Buyer or Matrix knew or should have known that any representation or warranty is or might be inaccurate in any respect.

## REPRESENTATIONS AND WARRANTIES OF BUYER

Representations and Warranties of Buyer. Buyer and Matrix, jointly and severally, hereby represent and warrant to each Holder as follows:

**Corporate Status.** Buyer and Matrix are each a corporation duly incorporated and existing under the laws of the State of Delaware, is in good standing in the State of Delaware, is subsisting in the Commonwealth of Pennsylvania, and is authorized to transact business in such State and Commonwealth. Buyer and Matrix each has, and at all times has had, full corporate power and authority to own and lease its assets and properties as such properties are now owned and leased and to conduct its business as and where such business has and is now being conducted. True and Complete copies of the Certificates of Incorporation of Buyer and Matrix, as amended through the date hereof, have been delivered to Buyer.

**Authority of Buyer; Binding Effect.** This Agreement and each of the Ancillary Agreements has been duly executed and delivered by each of Buyer and Matrix (as applicable), and do and will constitute the legal, valid and binding obligation of them, enforceable against them in accordance with their respective terms. Buyer and Matrix have the requisite right, power, authority and capacity to execute and deliver this Agreement and the Ancillary Agreements and to perform their respective obligations under this Agreement and the Ancillary Agreements. Buyer and Matrix do not need to give any notice to, make any filing with, or obtain any authorization, declaration, consent or approval of any Governmental Body in order to consummate the transactions contemplated in this Agreement and the Ancillary Agreements, other than the HSR Act filing contemplated in Section 6.05.

**Noncontravention.** Neither the execution and the delivery of this Agreement or the Ancillary Documents by Buyer and Matrix, nor their compliance with or the fulfillment of the terms, conditions and provisions hereof or thereof, will (i) violate any Legal Requirement or Order applicable to them (or their respective businesses), any provision of their Articles of Incorporation or Bylaws; or (ii) with notice, the passage of time or both, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, any contract, agreement, lease, license, Governmental Authorization, instrument, arrangement or commitment to which Buyer or Matrix is a party or by which it or any of its assets or properties are bound, or (iii) result in the imposition of or creation of any Encumbrance, other than a Permitted Encumbrance, upon or with respect to any of the assets or properties owned or used by Buyer and Matrix (other than such Encumbrances (if any) on the Equity Interests as may be created pursuant to Buyer's financing of the Purchase Price), or (iv) require any notice under any agreement, contract, Governmental Authorization or any instrument, arrangement or commitment to which Buyer and Matrix is a party or by which it is bound or to which any of its respective assets or properties are subject; or (v) require the approval, consent, authorization or act of, or the making by Buyer or Matrix of any declaration, filing or registration with, any Person other than the HSR Act filing described in Section 6.05.

**No Agent, Finder or Broker.** Except as set forth on Schedule 6.05, Buyer and Matrix have no Liability or obligation, contingent or otherwise, to pay any fees or commissions to any agent, broker or finder with respect to the transactions contemplated in this Agreement.

Investment Intent. Buyer is acquiring the Equity Interests solely for its own account for investment purposes, and not with a view to the distribution thereof. Buyer understands that the Equity Interests are being sold in reliance upon an exemption from registration provided in the Securities Act of 1933, as amended and Regulation D thereunder for transactions not involving any public offering. Buyer has reviewed and understands the definition of "Accredited Investor," as defined in Rule 501 of Regulation D under the Securities Act, and he, she or it meets the standard for qualifying as and is an "Accredited Investor" as so defined.

Completeness of Statement; Effect of Representations and Warranties. No representation or warranty of Buyer or Matrix in this Agreement, including representations and warranties made by them in provisions of this Agreement other than in Article VI, contains any untrue statement of a material fact, omits any material fact necessary to make such representation or warranty, under the circumstances which it was made, not misleading, or contains any misstatement of a material fact. Buyer and Matrix have disclosed all adverse facts known to them relating to such representations and warranties. The representations and warranties of Buyer and Matrix contained in this Article VI and in other Sections of this Agreement are correct and complete as of the date hereof and shall be correct and complete in all material respects (or, with respect to representations and warranties that are expressly subject to materiality or that include a specific dollar threshold, in all respects) as of the Closing Date as though made then with the Closing Date being substituted for the date hereof throughout this Section 6.07. All of the representations and warranties made by Buyer and Matrix are made with the knowledge, expectation, understanding and desire that the Holders place complete reliance thereon. Neither the representations and warranties of Buyer and Matrix, nor the indemnification obligations of Buyer and Matrix, shall be affected, qualified, modified or deemed waived by reason of the fact that the Holders knew or should have known that any representation and warranty is or might be inaccurate in any respect.

Litigation. Except as set forth on Schedule 6.08, there is no action, suit, inquiry, proceeding or investigation by or before any Governmental Body or by or on behalf of any other Person pending or, to Buyer's or Matrix's Knowledge, Threatened, against or involving Buyer or Matrix or any of their Affiliates (i) which alone or in the aggregate would, if adversely, determined have a material adverse effect on the ability of Buyer or Matrix to perform its obligations to the Holders under this Agreement and the transactions contemplated hereby, or (ii) which questions or challenges the validity of this Agreement or any action taken or to be taken by Buyer and Matrix pursuant to this Agreement or in connection with the transactions contemplated hereby.

Ownership of the Buyer by Matrix; No Prior Activities. The Buyer is a direct, wholly-owned subsidiary of Matrix and was formed solely for the purpose of engaging in the transactions contemplated by this Agreement. Except for obligations or liabilities incurred in connection with its incorporation or organization and the transactions contemplated by this Agreement the Buyer has not and will not have incurred, directly or indirectly, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person which could adversely effect the ability of the Holders to consummate the transactions contemplated hereby.

Filings with the Securities Exchange Commission. Matrix has made all filings with the Securities Exchange Commission that it has been required to make under the Securities Act and the Securities Exchange Act (collectively, the "Matrix Reports"). Each of the Matrix Reports has

complied with the Securities Act and the Securities Exchange Act in all material respects. None of the Matrix Reports, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Consolidated Tax Return Matrix is a common partner of an affiliated group of companies, all as defined in Section 1504 of the Code, and the affiliated group files a consolidated federal income tax return pursuant to Section 1501 of the Code (the "Matrix Consolidated Tax Return"). Buyer is an includible corporation in the affiliated group, as defined in section 1504 of the Code, and will be included in the Matrix Consolidated Tax Return. The Hake Group of Companies, except for those companies that are limited liability companies, will be included in the Matrix Consolidated Tax Return

#### TAX MATTERS

Definition of Tax and Tax Return. The term "Tax" as used herein shall mean any taxes, however denominated, including income tax, capital gains tax, value-added tax, property tax, gift tax, estate tax, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, sales, use, transfer, registration, alternative or add-on minimum, estimated, or other tax of any kind whatsoever and any related charge or amount (including any fine, penalty, interest or addition to tax), imposed, assessed or collected by or under the authority of any Governmental Body or payable pursuant to any tax-sharing agreement or any other arrangement relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee, including any interest, penalty, or addition thereto, whether disputed or not. The term "Tax Returns" as used herein shall mean any return (including any information return), report, declaration of estimated Taxes, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

Tax Returns. Each member of The Hake Group of Companies has prepared, signed and filed all Tax Returns required to be filed prior to the date hereof. All Tax Returns were correct and complete in all respects, and The Hake Group of Companies have timely paid or accrued all Taxes or installments thereof which were due and owing on Tax Returns or which were or are otherwise due and owing under all applicable laws and regulations for any periods for which Tax Returns were due, whether or not reflected on the Tax Returns. The provision for Taxes in the Acquisition Date Balance Sheet is sufficient for the payment of all Taxes attributable to all periods ended on or before June 30, 2002, and adequate accruals have been made by The Hake Group of Companies for all liabilities for Taxes accruing since the date of the Acquisition Date Balance Sheet. There are no Proceedings, investigations or Claims now pending, or, to the Knowledge of Holders or any of The Hake Group of Companies, proposed against any of The Hake Group of Companies, nor are there any matters under discussion with the IRS, or any other Governmental Body, relating to any Taxes or assessments, or any Claims or deficiencies with respect thereto, except as disclosed on Schedule 7.02. The federal income Tax Returns of

The Hake Group of Companies have not been audited by the IRS or relevant state authorities, except as set forth on Schedule 7.02.

**Tax Elections.** The Hake Group of Companies are not United States real property holding corporations within the meaning of section 897(c)(2) of the Code during the applicable period specified in section 897(c)(1)(A)(ii) of the Code. None of The Hake Group of Companies is a "foreign person" within the meaning of section 1445 of the Code. The Hake Group of Companies are not "consenting corporations" under section 341(f) of the Code. The Hake Group of Companies have not agreed, nor are they required to make for periods ending on or before Closing, any adjustment under section 481(a) of the Code by reason of a change in accounting method or otherwise.

**Withholdings.** Each of The Hake Group of Companies has withheld proper and accurate amounts from its employees in full and complete compliance with the Tax withholding provisions of the Code and other applicable Legal Requirements, and has filed proper and accurate federal, foreign, state and local Tax Returns and reports for all years and periods (and portions thereof) for which any Tax Returns were due with respect to employee income, income Tax withholding, withholding Taxes, social security taxes and unemployment Taxes. All payments due from any of The Hake Group of Companies on account of employee Tax withholdings, including income Tax withholdings, social security Taxes or unemployment Taxes in respect to years and periods (and portions thereof) ended on or prior to the date hereof were paid prior to such date on or before their due date.

**Waivers of Statute of Limitations.** Except as set forth on Schedule0, The Hake Group of Companies have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency.

**Tax Agreements.** Except as set forth on Schedule0, The Hake Group of Companies are not, nor have they ever been, a party to any tax allocation or sharing agreement. No member of The Hake Group of Companies has any liability for the Taxes of any corporation or other entity under Treas. Reg. (S)1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

**Preparation of Tax Returns; Payment of Taxes.**

The Holder Representative shall prepare and file or cause to be filed all Tax Returns for each member of the Hake Group of Companies, for periods ending on or before Closing (the "Final Tax Returns"), and shall pay any Taxes shown as due on such Tax Returns that are in excess of the reserve for Taxes on the Closing Date Balance Sheet. All Final Tax Returns described in this Section0shall be prepared in a manner consistent with prior practice unless otherwise required by applicable Legal Requirements relating to Taxes, subject to the provisions of Section0of this Agreement.

The Holder Representative shall prepare and file such amended Tax Returns as they deem appropriate for the members of the Hake Group of Companies, provided that such amended Tax Returns shall be prepared in a manner consistent with the original Tax Return, except as required by Applicable Legal Requirements relating to Taxes.

Matrix will cause the appropriate person to timely sign the return prepared in accordance with Section 7.07 A and B.

#### Filings By Buyer.

Following the Closing, Matrix shall prepare or cause to be prepared and file or cause to be filed all Tax Returns required of The Hake Group of Companies for periods ending after the Closing Date and shall report on such returns (including any consolidated United States federal income Tax Return filed by Matrix) any transactions by or relating to The Hake Group of Companies. To the extent any Taxes shown as due on such Tax Returns are the responsibility of the Holders as contemplated in this Agreement or in any Ancillary Document, (i) such Tax Returns shall be prepared in a manner consistent with prior practice unless otherwise required by applicable Legal Requirements relating to Taxes, (ii) Buyer shall provide the Holder Representative with copies of each such Tax Return at least 30 days prior to the due date for filing such return, and (iii) the Holder Representative shall have the right to review and approve (which approval shall not be unreasonably withheld) such Tax Returns for 10 days following receipt thereof. Matrix and the Holder Representative shall attempt in good faith to mutually resolve any disagreements regarding such Tax Returns prior to the due date for filing thereof. Any disagreements regarding such Tax Returns which are not resolved prior to the filing thereof shall be promptly resolved by arbitration as provided in Section 0; provided, that such arbitration proceeding shall not prevent Matrix from filing all such disputed Tax Returns on a timely basis with the appropriate taxing authorities. The fees and expenses of the arbitrator(s) shall be borne equally by Matrix and the Holders. Matrix shall file or cause to be filed all such Tax Returns and shall, subject to receiving the payments from the Holders referred to below, pay or cause to be paid the Taxes shown as due thereon; provided, however, that nothing contained in the foregoing shall in any manner terminate, limit or adversely affect any right of Matrix to receive indemnification pursuant to any provision in this Agreement.

Neither Matrix nor Buyer will cause or allow the Hake Group of Companies to file any amended Tax Returns that relate to periods ending on or prior to or including the Closing Date, without the prior written consent of the Holder Representative. Any amended Tax Return prepared and filed in accordance with Section 7.07B shall be deemed to be filed with the written consent of the Holder Representative.

Payment By Holders. Not later than five days before the due date for payment of Taxes with respect to any Tax Returns which Matrix has the responsibility to file, the Holders shall pay to Matrix an amount equal to that portion of the Taxes shown on such return for which the Holders have an obligation to pay and discharge as contemplated in Section 7.08A and the Holders shall have an obligation to indemnify Matrix pursuant to the provisions of Section 7.17 hereof. Notwithstanding anything to the contrary contained herein, to the extent that the Hake Group of Companies pays more in Taxes for the period that includes but does not end on the Closing Date than was reserved for on the Closing Date Balance Sheet (for periods covered thereby), then the Holders shall be required to pay the Buyer only such amounts by which such Taxes exceeded the amount reserved. Similarly, to the extent that the Hake Group of Companies pays less in Taxes for the period that includes but does not end on the Closing Date than was reserved for on the Closing Date Balance Sheet (for periods covered thereby), then the Buyer shall be required to pay the Holder Representative all amounts by which such Taxes were less than the amount reserved. Any payments pursuant to this paragraph shall be deemed to be adjustments to the Purchase Price.

#### Final Tax Returns.

For federal income Tax purposes, the taxable year of Hake Group, Inc, and the members of the affiliated group of companies that join in the consolidated Tax Return of which Hake Group, Inc. is the common parent, as defined in section 1504 of the Code, shall end as of the close of the Closing Date and, with respect to all other Taxes, the Holder Representative and Matrix will, unless prohibited by applicable Legal Requirements, close the taxable period of The Hake Group of Companies as of the Closing on the Closing Date. In preparing the Final Tax Returns, all payments made to MEP Participants made at Closing shall be included as a deduction, as properly attributable to the period prior to Closing. The Final Tax Returns shall not include any items that are attributable to actions of the Hake Group of Companies that occur after the Closing and are properly attributable to the next day, as anticipated in Treas. Reg. section 1.1504-76, provided, however, that any payments to MEP Participants after Closing but before the 15th day of the 3rd calendar month after the month in which Closing occurs shall be includable in the Final Tax Returns. No Section 338 election will be made with respect to the acquisition of the Hake Group of Companies. Neither Matrix nor the Holders shall take any position inconsistent with the preceding sentences on any Tax Return, except as otherwise required by a final determination of the issue as defined in section 1313 of the Code.

In any case where Legal Requirements do not permit a member of The Hake Group of Companies to close its taxable year on the Closing Date or in any case in which a Tax is assessed with respect to a taxable period which includes the Closing Date (but does not begin or end on that day), then Taxes, if any, attributable to the taxable period of The Hake Group of Companies beginning before and ending after the Closing Date shall be allocated (i) to the Holders for the period up to and including the Closing Date (other than for items that occur after Closing), and (ii) to Matrix for the period subsequent to the Closing Date . Any allocation of income or deductions required to determine any income Taxes attributable to any period beginning before and ending after the Closing Date shall be made by means of a closing of the books and records of The Hake Group of Companies as of the close of the Closing Date, provided that exemptions, allowances or deductions that are calculated on an annual basis (including, but not limited to, depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period after the Closing Date in proportion to the number of days in each such period. For Taxes imposed on a daily basis, they shall be allocated based on the days in the period. The foregoing allocation of responsibility for Taxes as between Matrix, on the one hand, and the Holders, on the other hand, shall include without limitation, any property Taxes assessed on or with respect to the assets or properties of The Hake Group of Companies at any time prior to or following the Closing, and attributable to any taxing period in which the Closing Date falls, whether or not such Taxes are due and payable as of the Closing or in that taxing period.

Cooperation. The Holders and Matrix agree to furnish or cause to be furnished to each other, and each at their own expense, as promptly as practicable, such information (including access to books and records) and assistance, including making employees available on a mutually convenient basis to provide additional information and explanations of any material provided, relating to The Hake Group of Companies as is reasonably necessary for the filing of any Tax Return, for the preparation for any audit, and for the prosecution or defense of any claim, suit or proceeding relating to any adjustment or proposed adjustment with respect to Taxes. The Hake Group of Companies shall retain in its possession all Tax Returns and Tax records relating to The Hake Group of Companies that are or might reasonably be expected to become relevant to any computations or payments required after the Closing Date with respect to Tax matters relating to any taxable period (or portions thereof) ending on or prior to the Closing Date until the relevant statute of limitations has expired, and shall afford the Holders reasonable access to all such Tax Returns and Tax records, from time-to-time, upon their request. After such time,

Matrix may dispose of such materials, provided that prior to such disposition Matrix shall give the Holders a reasonable opportunity to take possession of such materials. Each of The Hake Group of Companies shall retain in their possession, and shall provide the Holders reasonable access to (including the right to make copies of), of such supporting Tax books and records relating to The Hake Group of Companies that are or might reasonably be expected to become relevant to computations or payments with respect to material Tax matters relating to any taxable period (or portions thereof) ending on or before the Closing Date, until the relevant statute of limitations has expired (or prior thereto with the Holder Representative's consent).

Notices. Each of the Holders, Matrix and the members of Hake Group of Companies shall promptly notify the others in writing of its receipt of notice of any pending or Threatened federal, state, local or foreign Tax audits, assessments or other dispute affecting the Tax reporting positions of The Hake Group of Companies for taxable periods (or portions thereof) ending on or prior to the Closing Date. For purposes of the foregoing sentence, the "others" as it applies to the Holders shall refer to Matrix and the Holder Representative, and the "others" as it applies to Matrix and the Hake Group of Companies shall refer to the Holder Representative. The failure of a party to timely forward such notification in accordance with the immediately preceding sentence shall not relieve the other Party or its Affiliate of its obligation to pay such liability for Taxes except and to the extent that the failure to timely forward such notification actually prejudices the ability of the other Party or such Affiliate to contest such liability for Taxes or increases the amount of such Taxes.

Representation of Holders. The Holder Representative shall have the right to represent the interests of The Hake Group of Companies in any Tax audit or administrative or court proceeding relating to taxable periods ending on or prior to the Closing Date and to employ counsel of its choice at its expense, and Matrix shall have the right to consult with the Holder Representative during such proceedings at its own expense. Matrix agrees that it shall cooperate fully, and cause each member of The Hake Group of Companies to cooperate fully, with the Holder Representative and its counsel in the defense against or compromise of any claim in said proceeding, and the Holders agree to pay any reasonable third party out of pocket expenses incurred by Matrix or The Hake Group of Companies in connection therewith. Notwithstanding the foregoing, if the results of such Tax audit or proceeding reasonably could be expected to have a material adverse effect on the assets, business, operations, Tax position or financial condition of Matrix, The Hake Group of Companies or any of their Affiliates for taxable periods ending after the Closing Date, then there shall be no settlement or closing or other agreement with respect thereto without the written consent of Matrix which consent shall not be unreasonably withheld or delayed.

Joint Representation. Matrix and the Holder Representative jointly shall represent the interests of The Hake Group of Companies in any Tax audit or administrative or court proceeding relating to any taxable period of The Hake Group of Companies which includes (but does not begin or end on) the Closing Date. Any disputes regarding the conduct or resolution of any such audit or proceeding shall be resolved by arbitration as provided in Section 0. The fees and expenses of the arbitrator(s) shall be borne equally by Matrix and the Holders. All other costs, fees and expenses paid to third parties in the course of such audit or proceeding shall be borne by Matrix and the Holders in the same ratio as the ratio in which, pursuant to the terms of this Agreement, Matrix and the Holders would share the responsibility for payment of the Taxes asserted by the taxing

authority in such claim or assessment if such claim or assessment were sustained in its entirety. Notwithstanding the foregoing, if the results of such Tax audit or administrative or court proceeding could result in Holders being liable for payments to Matrix under this Agreement, there shall be no settlement or closing or other agreement with respect thereto without the written consent of the Holder Representative, which shall not be unreasonably withheld or delayed.

Representation of Buyer. The Buyer shall have the right to represent the interests of The Hake Group of Companies in any Tax audit or administrative or court proceeding relating to taxable periods beginning after the Closing Date and to employ counsel of its choice at its expense, and the Holder Representative shall have the right to consult with Buyer during such proceedings at its own expense. Buyer agrees that it shall cooperate fully, and cause each member of The Hake Group of Companies to cooperate fully, with the Holder Representative and its counsel in the defense against or compromise of any claim in said proceeding, and Buyer agrees to pay any reasonable third party out of pocket expenses incurred by the Holder Representative in connection therewith. Notwithstanding the foregoing, if the results of such Tax audit or proceeding reasonably could be expected to have a material adverse effect on the assets, business, operations, Tax position or financial condition of the Holders or any of their Affiliates for taxable periods ending after the Closing Date, then there shall be no settlement or closing or other agreement with respect thereto without the written consent of the Holder Representative (which consent shall not be unreasonably withheld or delayed).

Refunds, Etc.

As additional Purchase Price, Matrix will deliver to the Holder Representative all Tax refunds (including, without limitation, refunds arising by reason of amended returns filed after the Closing Date) or credit of Taxes (plus any interest thereon received with respect thereto from the applicable taxing authority), other than those relating to state taxes attributable to the carryforward of MEP Payments (the "MEP State Tax Refund"). Buyer shall pay to the Holders all Tax refunds paid after the Closing Date, other than MEP State Tax Refunds, with respect to (i) any period ending on or prior to the Closing Date, or (ii) any period which includes the Closing Date but does not begin or end on that day, provided that in the case of any Tax refund described in clause (ii) of this Section, the portion of such Tax refund that shall belong to the Holders shall be that portion that is attributable to the portion of that period which ends on the Closing Date (determined on the basis of an interim closing of the books as of the Closing Date). Matrix will deliver such refunds within two business days of receipt.

Matrix and the Holders agree to cooperate, and Matrix agrees to cause the Hake Group of Companies and their Affiliates to cooperate with the Holders, after the Closing Date, with respect to claiming any refund referred to in Section 7.16A., including notifying Matrix or the Holder Representative, as the case may be, of the existence of any facts known to them that would constitute a reasonable basis for claiming such a refund, providing all relevant information available to and known to Matrix or the Holder Representative with respect to any such claim, filing and diligently pursuing such claim, and in the case of the Party filing such a claim, consulting with the other Party prior to agreeing to any disposition of such claim.

Tax benefits in respect of Tax other than MEP Tax Refunds accruing to Matrix or the Hake Group of Companies for periods that do not end on or prior to Closing that are related to the MEP Payments are to be paid out to the Holder Representative as additional Purchase Price, in accordance with the following terms:

Matrix shall cause the Hake Group of Companies to (a) claim as a deduction on its federal corporate income Tax Return from time to time when such deduction may be utilized any payment to MEP Participants that is not included in a Final Tax Return and (b) to carry forward and claim any net operating loss determined in a Final Tax Return (the "NOL") that is available after application of available carrybacks of such NOLs to years ending on or prior to Closing.

Matrix will pay to the Holder Representative an amount equal to the deduction claimed with respect to MEP Payment or in the NOL carry forward claimed on the Tax Return, times the applicable statutory tax rate applicable to the Tax Return on which the deduction or NOL carry forward is claimed. Payment is to be made in cash within ten (10) days after the filing of the Tax Return. Matrix will provide a statement detailing the amount of the deduction or NOL carry forward claimed and the tax rate.

The Holder Representative shall have a right to review any federal, corporate Tax Return filed by Matrix or the Hake Group of Companies for periods ending after Closing (but which include periods prior to Closing) for purposes of reviewing the payments to be made pursuant to this Section.

To the extent any deduction on a federal corporate income Tax Return accruing to Matrix or the Hake Group of Companies for periods that do not end on or prior to Closing, that are related to the MEP Payments and that were paid to the Holder Representative pursuant to this Section are later disallowed, the Holder Representative shall refund to Matrix those amounts which the Holder Representative had previously received and which relate to such disallowed deduction.

Matrix and the Hake Group of Companies shall be entitled to retain any refunds or deductions for state and local Taxes for periods commencing after the Closing Date arising out of net operating losses resulting in deductions related to the MEP Payments.

#### Tax Indemnification.

The Holders, jointly and severally (except for the several only Holders identified on Schedule 12.02B hereto), hereby agrees to indemnify, defend and hold harmless the Buyer and Matrix from and against all Claims and all Losses for all Taxes (whether legal liability for remittance of such Taxes is imposed upon the Holders or a member of The Hake Group of Companies):

With respect to any taxable year of any member of The Hake Group of Companies which ends on or before the Closing Date (including but not limited to any liability of The Hake Group of Companies pursuant to Treasury Regulation (S) 1.1502-6(a) or any comparable provision of state, local or foreign law) or is assessed (whether before or after the Closing) as the result of a sale, exchange or other disposition of property or assets which occurs prior to the Closing;

With respect to any taxable year or period which includes but ends after the Closing Date, to the extent attributable to the portion of such period which ends with the Closing Date determined on the basis of an interim closing of the books; provided, that exemptions, allowances or deductions that are calculated on an annual basis (including but not limited to depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period after the Closing Date in proportion to the number of days in each such period; and

Arising by reason of any breach of representation, warranty or covenant contained in this Agreement.

Any payments made by the Holders pursuant to this Section 7.18A. shall not have the effect of reducing the Deferred Portion of the Purchase Price as provided in Section 12.03, but shall be treated as adjustments to the Purchase Price by the parties.

Buyer shall indemnify, defend and hold harmless the Holder Indemnitees (as defined in Section 0 hereof) from and against all Claims and all Losses for all Taxes:

3. With respect to The Hake Group of Companies for any taxable period beginning after the Closing Date;

With respect to any taxable year or period which includes but ends after the Closing Date, to the extent attributable to the portion of such period which begins with the Closing Date determined on the basis of an interim closing of the books; provided, that exemptions, allowances or deductions that are calculated on an annual basis (including but not limited to depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period after the Closing Date in proportion to the number of days in each such period; and

Arising by reason of any breach of representation, warranty or covenant contained in this Agreement.

#### COVENANTS OF THE PARTIES

No Negotiation.

Until such time, if ever, as this Agreement is terminated pursuant to Section 0, no Holder, no member of The Hake Group of Companies or any representative of the Holders of The Hake Group of Companies, shall, nor shall they permit any of their Affiliates to,

directly or indirectly, entertain, solicit, initiate, accept or encourage any inquiries, offers or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Buyer and Matrix) relating to any transaction involving the sale or lease of all or a substantial part of the business or assets of The Hake Group of Companies, or any of the Equity Securities of The Hake Group of Companies, or any merger, consolidation, business combination, or similar transaction involving The Hake Group of Companies, or

participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek, any of the foregoing.

The Holders or The Hake Group of Companies will notify Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

Operations of The Hake Group of Companies Pending Closing. From the date hereof through the Closing Date, except as otherwise provided in this Section 8.02, without the prior written consent of Matrix (which consent will not be unreasonably withheld), the Holders agree to cause each member of The Hake Group of Companies:

To continue the business and operations of The Hake Group of Companies substantially in the same manner as heretofore, not to change any of the accounting principles followed (except to comply with changes required by GAAP), not to undertake any transactions or enter into any contracts, commitments or arrangements other than in the Ordinary Course of Business of The Hake Group of Companies and other than as permitted in Section 8.02B., to use their reasonable best efforts to preserve the present business and organization of The Hake Group of Companies and to keep available for the benefit of Buyer (without entering into any binding agreement) the services of their employees, and to preserve for the benefit of Buyer the goodwill of their customers, suppliers and others having business relationships with them.

Not to submit to any customer, any primary contractor or any other Person any binding bid or offer committing to, and not otherwise undertake any transactions or enter into any contracts, commitments or arrangements, in each case in excess of \$100,000 or which has a duration in excess of one year; provided that, if such matter relates to a line of business in competition with a line of business conducted by Matrix and its Affiliates, then The Hake Group of Companies shall not be required to obtain the consent of Matrix but shall only be required to consult with Matrix prior to making such submission or undertaking.

Not to renew, extend, modify, terminate or waive any right under any of the WIP Contracts or any of the Hake Agreements.

Not to increase the rate or change the nature of the compensation payable to any of their employees, except in the Ordinary Course of Business consistent with past practices or as required by any union contracts.

Not to allow any of their assets and properties to be subject to any Encumbrance (other than Permitted Encumbrances), or to be disposed of outside the Ordinary Course of Business of The Hake Group of Companies.

To maintain their existing insurance coverages, subject to variations in amounts required by the Ordinary Course of Businesses of The Hake Group of Companies.

To confer with Buyer concerning operational matters of a material nature.

To otherwise report periodically to Buyer concerning the status of the business, operations and finances of The Hake Group of Companies at Buyer's reasonable request.

Not to amend or modify their Organization Documents.

To maintain their corporate existence and good standing in their respective state of incorporation and their qualifications as foreign corporations in the jurisdictions set forth on Schedule0

To maintain their licenses, permits and franchises, and not take any action, or refrain from taking any action, which could cause any license, permit or franchise to be revoked, restricted or suspended.

Not to authorize for issue or issue Equity Interests, nor grant any option, warrant or right to purchase or acquire Equity Interests of itself.

Not to declare or pay any dividend, nor, directly or indirectly, redeem, purchase or otherwise acquire any of its securities.

Not to make any investment in any other corporation, association, partnership, joint venture or other business organization.

Not to make any capital expenditures in excess of \$50,000 for any single item of equipment or other property.

Not to incur or agree to incur any indebtedness for borrowed money.

To maintain all of its properties in good working order and repair (ordinary wear and tear excepted) and take all steps reasonably necessary to maintain its assets for Buyer's use and benefit.

Not to enter into any contract, commitment or arrangement to merge, combine or consolidate with or into any other corporation or entity, or enter into any other contract, commitment or arrangement to sell, transfer, or dispose of any of its assets to any person or entity other than in the Ordinary Course of Business.

Not to increase the quantities of any inventories, raw materials or spare parts maintained by The Hake Group of Companies to levels that are materially greater than the levels historically maintained by The Hake Group of Companies in the Ordinary Course of Business consistent with past practice.

To operate their businesses in compliance in all material respects with all Legal Requirements, Governmental Authorizations and Orders applicable to them.

Not to enter into any agreement or commitment to do any of the foregoing.

Holder Covenants Regarding Environmental Matters. The Holders covenant and agree that they shall:

refrain from undertaking any activity on the Leased Property which would cause: (i) the Leased Property to become a hazardous waste treatment, storage or disposal facility under any Environmental Law, (ii) a Release or threatened Release of Hazardous Material at, on, from or under the Leased Property in violation of any Environmental Law, (iii) the Release of Hazardous Material into any watercourse, body of surface or subsurface water or wetland, or the discharge into the atmosphere of any Hazardous Material at the Leased Property which would require a permit under any Environmental Law and for which no such permit has been issued or which would otherwise violate any Environmental Law; and

refrain from undertaking any activity, or permitting any activity to be undertaken, on the Leased Property which would result in a violation of any Environmental Law such that it would not permit industrial use of the Leased Property.

Buyer's and Matrix's Covenants Regarding Environmental Matters. Buyer and Matrix covenant and agree that they shall:

promptly notify the Holder Representative and the Hake Group of Companies of and provide them with copies of any documents relating to: (i) any governmental or regulatory actions instituted or threatened under any Environmental Law in any way related to the Hake Group of Companies' use, transportation, storage, or disposal of Hazardous Materials at the Talbot Property, (ii) all claims relating to any Hazardous Material or a violation of any Environmental Law made or threatened by any third party against Buyer and Matrix related to the Talbot Property, and (iii) any environmental assessments or investigations relating the Hake Group of Companies use, transportation, storage or disposal of Hazardous Materials at the Talbot Property; and

fully cooperate with and grant to the Holder Representative and/or the Hake Group of Companies and any of their agents or consultants access to the Talbot Property, at reasonable times and upon reasonable notice, to conduct any investigation, removal, or remediation of any Release or threatened Release of Hazardous Materials at, on, from or under the Talbot Property to the extent required by any governmental entity or otherwise under this Agreement.

Investigation of The Hake Group of Companies by Buyer and Matrix. From the date hereof through the Closing, the Holders shall cause The Hake Group of Companies to afford to the officers, employees and authorized representatives of Buyer and Matrix (including independent public accountants and attorneys and other third party consultants) reasonable access to the offices, properties, employees and business and financial records (including computer files, retrieval programs and similar documentation and such access and information that may be necessary in connection with an environmental audit) of The Hake Group of Companies to the extent Buyer or Matrix shall deem reasonably necessary or desirable, and shall furnish to Buyer and Matrix or their authorized representatives such additional information concerning the assets, properties and operations of The Hake Group of Companies as shall be reasonably requested, including all such information as shall be reasonably necessary or appropriate to enable Buyer and Matrix or their representatives to verify the accuracy of the representations and warranties contained in this Agreement, to verify that the covenants of the Holders and of The Hake Group of Companies contained in this Agreement have been complied with, and to determine whether the conditions set forth in Section 0 have been satisfied. Buyer and Matrix agree that such investigation shall be conducted in such a manner as will not interfere unreasonably with the operations of The Hake Group of Companies and that such investigation shall be at Buyer's sole cost and expense. No investigation made by Buyer, Matrix or their representatives hereunder shall affect the representations and warranties of the Holders made in this Agreement.

Remedy for Breach of Sections 8.01 and 8.03. The parties acknowledge and agree that, because of the nature and subject matter of the provisions of Section 8.01 and Section 8.03 it would be impractical and extremely difficult to determine actual damages in the event of the breach of any such provisions. Accordingly, if the Holders and any of its Affiliates (including The Hake Group of Companies prior to the Closing), on the one hand, or Buyer and any of its Affiliates (including Matrix), on the other hand, commits a breach, or threatens to commit a breach, of any matter set forth in Sections 8.01 and 8.03, the non-breaching party shall have the right to have the provisions of Section 8.01 or 8.03, as the case may be, specifically enforced by any court having equity jurisdiction, it being further acknowledged and agreed by the parties that any such breach or threatened breach will cause irreparable injury to the non-breaching party and its Affiliates and that an injunction may be issued against the breaching party to stop or prevent

such breach or threatened breach. If any such action shall be instituted, the breaching party agrees to waive, and does hereby waive to the fullest extent permitted by law, the defense that the non-breaching party has an adequate remedy at law and agrees to interpose no opposition, legal or otherwise, as to the propriety of pursuing specific performance as a remedy and agrees not to request any bonding for the issuance of the relief sought.

Title Insurance; Surveys. The Hake Group of Companies has obtained, at Buyer's expense, and delivered to Buyer, a commitment to issue the insurance on the Talbot Property at the Closing:

Commitment. With respect to the Talbot Property, a commitment to issue an ALTA Owner's Policy of Title Insurance (Form 10/17/92 or its nearest equivalent if the Talbot Property is located in a jurisdiction in which Form 10/17/92 is not available) (the "Commitment"), which Commitment shall be issued by a title insurer reasonably satisfactory to Buyer, committing to insure the interest of the applicable member of The Hake Group of Companies in such Talbot Property for \$325,000 (including in all improvements).

Further Commitment Requirements. In addition to the matters set forth in A. and B. above, the Commitment shall further commit:

to insure title to all recorded easements benefiting the Talbot Property;

to issue an ALTA Endorsement 3.1 (or equivalent) as to the Talbot Property;  
and

to issue a standard "non-imputation" endorsement.

Surveys. With respect to the Talbot Property, Buyer has ordered, at its expense, a survey by a licensed surveyor, certified to Matrix and to the title company insuring the Talbot Property and conforming to the Minimum Detail Requirements for ALTA/ACSM Land Surveys (Class A Survey) including all items contained in items 1, 2, 3, 4, 6, 8, and 10 (the "Survey").

Title at Closing. At the Closing, the state of title to the Talbot Property shall be such that the title company issuing the Commitment for that Property shall be prepared to and shall issue a title policy on the form mandated herein, insuring the interest of the applicable member of The Hake Group of Companies owning such Property as a valid fee simple interest, (i) subject only to the Permitted Exceptions, (ii) having deleted therefrom the standard exceptions for parties in possession, survey, rights of way and easements not of record and mechanics and materialman's liens (iii) insuring that the Property as described in the policy is the same property as is described in the Survey for the Talbot Property, (iv) insuring the contiguity of the Property if the Property consists of more than one tract or lot and (v) insuring direct and unencumbered pedestrian and vehicular access to the Talbot Property from each street or roadway adjacent to the Property.

Lien and Litigation Searches. Buyer and Matrix may (in their discretion) obtain, at their cost and expense, a Uniform Commercial Code security interest search report, a tax lien search report and a litigation search report, showing that there are no Encumbrances against the assets, properties or rights of The Hake Group of Companies, other than those disclosed on Schedule 0 and no litigation, except as disclosed on Schedule 0.

Transition of The Hake Group of Companies. From and after the Closing, the Holders covenant and agree with Buyer and Matrix to cause The Hake Group of Companies to cooperate with Buyer and Matrix to effect the smooth transition of the control and operation of The Hake Group

of Companies from the Holders to Buyer, as contemplated herein, including the retention of the customers of The Hake Group of Companies, by such means that Matrix may reasonably request at Matrix's sole cost and expense.

Further Assurances. Each of the Parties hereto shall, at any time, and from time to time, at or after the Closing Date, upon the request of the appropriate Party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, assignments, transfers, conveyances, and assurances as may be reasonably required to complete the transactions contemplated in this Agreement. After the Closing Date the Holders shall, and shall use their reasonable best efforts to assure that any necessary third party shall, execute such documents and do such other acts and things as Buyer or Matrix may reasonably require for the purpose of giving to Buyer and Matrix (and The Hake Group of Companies after the Closing) the full benefit of all the provisions of this Agreement and as may be reasonably required to complete the transactions contemplated in this Agreement.

No Actions Constituting a Breach. From the date hereof through the Closing Date, no Holder will, and the Holders agree to cause each member of The Hake Group of Companies not to, take or knowingly permit to be done anything in the conduct of the business of The Hake Group of Companies which would be a misrepresentation, breach of warranty or non-fulfillment of any covenant or agreement on the part of that Party under this Agreement, and each of the Parties hereto shall cause the deliveries for which such Party is responsible at the Closing to be duly and timely made.

Notification of Breaches. From the date hereof through the Closing Date, each Party agrees to promptly notify the other Parties in writing if such Party becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach by that Party of any of its representations or warranties as of the date of this Agreement had its representations and warranties been made as of the time of the occurrence or discovery of such fact or condition. Should any such fact or condition require any change in the Schedules if the Schedules were dated the date of the occurrence or discovery of any such fact or condition, Buyer and the Holder Representative will promptly deliver to one another a mutually agreeable supplement to the Schedules specifying such change. During the same period, each Party agrees to promptly notify the other parties of the occurrence of any breach of any covenant of that Party in this Agreement or of the occurrence after the date of this Agreement of any event that may make the satisfaction of the conditions in 0 impossible or unlikely. Provided that the Closing occurs, any disclosure by any Party pursuant to this Section0, including any supplement of the Schedules by Buyer and the Holder Representative as contemplated above, shall be deemed to amend or supplement the Schedules for purposes of preventing or curing any misrepresentation or breach of a warranty. Notwithstanding the foregoing, such disclosure shall not be deemed to amend the Schedules for purposes of the conditions to Closing provided in Section 9.01A.

Compliance With Conditions. Each Party hereto agrees to cooperate fully with the other Parties, and shall use its reasonable best efforts to cause the conditions precedent for which such Party is responsible to be fulfilled. Each Party hereto further agrees to use its reasonable best efforts, and act in good faith, to consummate this Agreement and the transactions contemplated herein as promptly as possible.

Consents; Actions. Subject to the terms and conditions of this Agreement, the Parties hereto undertake and agree to (i) in good faith, take all reasonable steps that are within their power to cause to be fulfilled those of the conditions precedent to each Party's obligations to consummate the transactions contemplated herein as are dependent upon their actions; and (ii) use their reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws to consummate and make effective the transactions contemplated hereby and not to take any actions that would be inimical to such result. The Buyer, Matrix, the Holders and The Hake Group of Companies have prepared and filed with the United States Department of Justice and the Federal Trade Commission the notification and report form with respect to the transactions contemplated in this Agreement as required pursuant to the HSR Act and have obtained early termination of the waiting period under the HSR Act. Each Party shall further pay its own costs in connection with such filing and any filing fees shall be paid jointly by the Parties

Guaranties.

Matrix hereby guarantees unconditionally and absolutely to the Holders the due and punctual payment and performance by Buyer of all obligations of Buyer provided for in this Agreement that are to be paid or performed by Buyer. The obligations of Matrix hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired by, any of the following, any of which may be taken without the consent of, or notice to, Matrix:

Any exercise, non-exercise or waiver by Buyer of any right or privilege under this Agreement (provided, that any non-performance by the Holders that would be a defense to Matrix's performance under this Agreement shall constitute a defense to Matrix under this Section 0)

Any bankruptcy, insolvency, reorganization, dissolution, liquidation or other like proceeding relating to any Holder or any member of The Hake Group of Companies, whether or not Matrix shall have had knowledge of any of the foregoing.

Any permitted assignment or other transfer of this Agreement.

The invalidity or unenforceability of this Agreement or any provision hereof.

Any right to require the Holders to proceed against Buyer or any other Person.

Matrix unconditionally waives all demands, protests and notices of protests, any right to require the Holders to first proceed against Buyer, and any and all guarantor's defenses, whether general or otherwise.

Each of the parties on Schedule 0hereto (each a "Seller Guarantor" and collectively the "Seller Guarantors") hereby jointly and severally guarantees unconditionally and absolutely to Buyer the due and punctual payment and performance by the Holders of all obligations of the Holders provided for in this Agreement that are to be paid or performed by the Holder, including pursuant to the indemnification provisions of Article XII. The obligations of the Seller Guarantors hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired by, any of the following, any of which may be taken without the consent of, or notice to, Seller Guarantors:

(ii) Any exercise, non-exercise or waiver by Holders of any right or privilege under this Agreement (provided, that any non-performance by the Buyer that would be a defense to the Holders' performance under this Agreement shall constitute a defense to Seller Guarantors under this Section 0)

Any bankruptcy, insolvency, reorganization, dissolution, liquidation or other like proceeding relating to Buyer or Matrix or any of the Hake Group of Companies, whether or not Seller Guarantors shall have had knowledge of any of the foregoing.

Any permitted assignment or other transfer of this Agreement.

The invalidity or unenforceability of this Agreement or any provision hereof.

Any right to require the Buyer to proceed against Holders or any other Person.

Each Seller Guarantor unconditionally waives all demands, protests and notices of protests, any right to require the Buyer to first proceed against Holders, and any and all guarantor's defenses, whether general or otherwise.

Publicity. Prior to the Closing, neither the Holders or any of their Affiliates (including The Hake Group of Companies) nor Buyer or any of its Affiliates (including Matrix), or any representatives or agents of such Persons, shall make or issue, or cause to be made or issued, any announcement or written statement concerning this Agreement or the transactions contemplated hereby for dissemination to the trade or general public without the prior written consent of the other party. This provision shall not apply, however, to any announcement or written statement which, in the opinion of counsel to the disclosing party, is required to be made by law or the regulations of any Governmental Entity, except that the party required to make such announcement shall consult with the other party concerning the timing and content of such announcement before such announcement is made.

Intentionally Omitted.

Letters of Credit.

At the Closing, Buyer or Matrix shall deliver to the Holder Representative a Letter of Credit in the aggregate initial principal amount of \$3,000,000 to secure payout of the Deferred Portion of the Purchase Price and any interest and recoverable costs thereon (the "Letter of Credit"). The Letter of Credit will be reduced from time to time to the extent that payments of Deferred Portion of the Purchase Price (including deemed payments by reasons of reductions for Damages as provided in Article 12 "Deferred Payments") exceed \$7,000,000.

Until March 7, 2004, Buyer and Matrix shall have the right to substitute for the Letter of Credit, a new Letter of Credit (the "Substitute LC") in the aggregate principal amount of \$7,500,000.00 to secure the payment of the Deferred Portion of the Purchase Price and any interest and recoverable costs thereon. The Substitute LC would be reduced from time to time, (i) by the initial \$1,000,000 installment of the Deferred Portion of the Purchase Price (including Deemed Payments thereof) and (ii) to the extent that payments of Deferred Portion of the Purchase Price paid (including Deemed Payments thereof), exceed \$2,500,000. Concurrently with delivery of the Substitute LC, the Holder Representatives shall return the Letter of Credit to Matrix for cancellation.

In the event the Letter of Credit or Substitute LC or any Replacement LC (as defined below) expires prior to the earlier of March 7, 2008 or the drawing of the entire principal amount thereof, Buyer or Matrix shall deliver to the Holder Representative a replacement Letter of Credit at least ten (10) business days prior to such expiration (a "Replacement LC"). If a Replacement LC is not delivered when due, the Holder Representative may draw on the entire balance of the Letter of Credit, Substitute LC or any Replacement LC, as the case may be, and place the amount so drawn in a separate account to be used solely to satisfy amounts payable as Deferred Portion of the Purchase Price or interest and costs thereon when due under this Agreement.

Certain Employment Matters. To the extent included as a liability in the Final Net Current Assets, Buyer shall to such extent assume the amount of accrued and unpaid vacation pay, employee service days, sick days and company matching 401(k) contributions of The Hake Group of Companies, and the foregoing shall not be Retained Liabilities or obligations payable by the Holders to the extent of such accruals. The Holders shall indemnify and hold Buyer harmless from any against any liability for such matters to the extent such liability exceeds the accruals set forth in the Final Net Current Assets and the same shall be Retained Liabilities

Permits. The Parties agree to reasonably cooperate with and assist each other, at their respective cost and expense, to effect the transfer or assignment of any existing Governmental

Authorizations of The Hake Group of Companies that may be required by reason of, or that may result from, the consummation of the transactions contemplated in this Agreement, and agree to file any notices, requests, applications and the like with all relevant Governmental Bodies in connection with those Government Authorizations (or their assignment or transfer), including without limitation, any notices of the change in control and ownership of The Hake Group of Companies required under applicable Legal Requirements for the continued use, maintenance and effectiveness of such Governmental Authorizations.

Bonding. Buyer and Matrix will use its best efforts to assume any bid and performance bonds of The Hake Group of Companies that are not transferred with the relevant member of The Hake Group of Companies upon the purchase of the Equity Interests of such member.

Holder Payback and Discharge. Each Holder agrees, and agrees to cause Hake Headquarters LP and Frank W. Hake, to pay back the amounts described on Schedule 0 from the Estimated Cash Amount to The Hake Group of Companies as is necessary to repay such notes in full at the Closing. Each member of The Hake Group of Companies agrees to immediately discharge such amounts upon receipt of payment in full at the Closing. For purposes of calculating the Actual Net Current Assets, such amounts shall be deemed to be included in the cash of the Hake Group of Companies at Closing, and shall be reflected as such.

Excluded Assets. Prior to Closing, all leasehold improvements on the Leased Real Property shall be transferred to Persons who are not members of the Hake Group of Companies.

Storage Tank Removal. Within one (1) year after Closing, Matrix and the Buyer agree to remove the underground storage tank located on the Talbot Property at their own expense and, in the event any soil and/or groundwater on the Property is discovered to be contaminated by any Release of Hazardous Materials from the underground storage tank, any cost of any necessary soil and/or groundwater remediation and/or other response activity related thereto, if necessary, shall be paid for by Holders as provided in Section 0 hereof. Notwithstanding the foregoing, Holders shall not be responsible for paying the costs of any soil and/or groundwater remediation and/or other response activity that is required as a result of a Release of Hazardous Materials from the underground storage tank that is due to any negligent or intentional conduct of Buyer, Matrix, or any of their agents or consultants.

#### CONDITIONS TO CLOSING

Conditions to Obligations of the Buyer. The obligations of the Buyer to purchase the Equity Interests and to take the other actions required to be taken by them at and subsequent to the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions, any one or more of which Buyer or Matrix may waive in whole or in part at or prior to the Closing:

Representations True. The representations and warranties of the Holders contained in this Agreement (considered collectively) and each of those representations and warranties (considered individually) shall be true and correct in all material respects (or with respect to representations and warranties that are expressly subject to materiality or that include a specific dollar threshold, in all respects) as of the date hereof, and (except as otherwise provided below) must be true and

correct in all material respects (or with respect to representations and warranties that are expressly subject to materiality or that include a specific dollar threshold, in all respects) on and as of the Closing Date (including those representations and warranties which specifically speak as of the date hereof) with the same effect as though such representations and warranties had been made and this Agreement had been delivered on and as of the Closing Date, without giving effect to any supplement to the Schedules. Notwithstanding the foregoing, in the event any of the representations or warranties of the Holders contained in this Agreement are not true and correct as of the date hereof, or are not true and correct on and as of the Closing Date, each as contemplated above, then Buyer and Matrix shall be entitled to assert such misrepresentation, breach of warranty or other failure as being an unsatisfied condition precedent to its obligation to consummate the transactions contemplated in this Agreement only to the extent Buyer and Matrix shall reasonably believe that the Holders will be unable or will refuse to indemnify and hold harmless the Buyer and Matrix, pursuant to Section 9.01 hereof, from and against all Damages resulting from or arising out of such misrepresentation, breach of warranty or other failure, or will otherwise be unable or will refuse to assume and pay, perform and discharge all Retained Liabilities that were or are the subject of such misrepresentation, breach of warranty or other failure. Buyer and Matrix shall not be deemed to have waived their right, following the Closing, to seek the indemnification and other remedies provided for in this Agreement regarding such misrepresentation, breach of warranty or Retained Liabilities, notwithstanding Buyer's or Matrix's knowledge of such misrepresentation or breach of warranty as of the Closing.

**Covenants Performed.** Unless waived in writing by Buyer, all of the covenants, agreements and conditions of the Holders required to be performed or complied with at or prior to the Closing pursuant to the terms of this Agreement (considered collectively), and each of those covenants, agreements and conditions (considered individually), shall have been duly performed and complied with in all material respects.

**No Changes or Destruction of Property.** Between the date hereof and the Closing Date, there shall have been (i) no material adverse change in the business, financial condition or results of operations of any of The Hake Group of Companies; (ii) no material adverse federal or state legislative or regulatory change affecting any of The Hake Group of Companies or their products or services; and (iii) no material damage to any assets or properties of any of The Hake Group of Companies by fire, flood, casualty, act of God or public enemy or other cause, regardless of insurance coverage for such damage.

**Necessary Consents Received.** The Holders shall have received all consents and approvals, in form and substance reasonably satisfactory to Buyer, from each of the Persons set forth on Schedule 9.01D.

**No Litigation.** No Proceeding shall have been instituted or, to the knowledge of Buyer or Matrix, be Threatened, before any Governmental Body by any Person, (i) making any challenge to, or seeking damages or other relief in connection with, the transactions contemplated in this Agreement, or (ii) that may have the effect of restraining, enjoining, prohibiting, making illegal or otherwise interfering with such transactions, or (iii) is reasonably likely to have a material adverse affect upon The Hake Group of Companies.

**No Claim Regarding Equity Interests.** No claim shall have been made or Threatened by any Person not a Holder asserting that such Person (i) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any Equity Interests or any other Equity Interests of an member of The Hake Group of Companies, voting, equity or otherwise, or (ii) is entitled to all or any portion of the Purchase Price payable for the Equity Interests (other than a MEP Participant).

Hart-Scott-Rodino Compliance. All applicable waiting periods (and any extensions thereof) under the HSR Act shall have expired or otherwise been terminated.

Closing Documents. The Holders and any required member of The Hake Group of Companies shall have executed and delivered to Buyer and Matrix the Retained Liabilities Assignment & Assumption Agreement, certificates or other instruments evidencing the Equity Interests and stock powers or other instruments sufficient to transfer legal and beneficial ownership of the Equity Interests to the Buyer, and such other certificates, instruments, legal opinion and documents contemplated by this Agreement.

Financing. Buyer and Matrix shall have received proceeds from a financing sufficient in amount to consummate the transactions contemplated by this Agreement upon terms and conditions satisfactory to them in their sole discretion.

Environmental Review Report. The Holders agree to reimburse Buyer for one-half of all consulting fees, costs and other expenses reasonably incurred by them in conducting a "Phase II" environmental audit of the real property, regardless of whether the Closing shall occur, which amounts shall be payable within thirty (30) days after the written request therefore delivered by Buyer to the Holder Representative, together with all documentation of such fees, costs and expenses. The Holder Representative and any member of The Hake Group of Companies shall have the right to review all environmental investigation reports conducted by or on behalf of Buyer and/or Matrix, including underlying analytical data and information. In addition the Holder Representative and members of The Hake Group of Companies shall have the right to request and receive splits of all soil and groundwater samples collected during any such investigation.

Release of Encumbrances. The Holders shall have delivered to Buyer and Matrix evidence reasonably satisfactory to Buyer and Matrix of the complete and absolute release and discharge of all Encumbrances (other than Permitted Encumbrances), and of all debts, obligations and liabilities of The Hake Group of Companies.

Lease Agreements. At the Closing, The Hake Group of Companies shall have entered into a lease agreements for the Leased Real Property, having a term of five (5) years and at the current market rental rate, in a form reasonably satisfactory to Buyer.

Employment Agreements/Agreements Not to Compete. At the Closing, Buyer shall have received an Employment Agreement/Agreement not to Compete in a form reasonably acceptable to Buyer from each Person named on Schedule 9.01M. hereto.

No Changes to GAAP. Since the date of this Agreement, there shall have been no changes to GAAP from the Balance Sheet GAAP which have or would result in a difference in excess of \$50,000 in the amount of Final Net Current Assets had no such changes in GAAP occurred.

Minute Books. The complete minute books and corporate seal of The Hake Group of Companies shall be made available to Matrix.

Conditions to Obligations of the Holders. The obligations of the Holders to sell the Equity Interests and to take the other actions required to be taken by them at and subsequent to the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions, any one or more of which the Holders (acting by a Majority In Interest) may waive in whole or in part at or prior to the Closing:

Representations True. The representations and warranties of the Buyer and Matrix contained in this Agreement (considered collectively) and each of the representations and warranties (considered individually) shall have been true and correct in all material respects (or with respect to representations and warranties that are expressly subject to materiality or that include a specific dollar threshold, in all respects) as of the date hereof, and (except as otherwise provided below) must be true and correct in all material respects (or with respect to representations and warranties that are expressly subject to materiality or that include a specific dollar threshold, in all respects) on and as of the Closing Date (including those representations and warranties which specifically speak as of the date hereof) with the same effect as though such representations with the same effect as though such representations and warranties had been made and this Agreement had been delivered on and as of the Closing Date.

Covenants Performed. All of the covenants, agreements and conditions of the Buyer and Matrix required to be performed or complied with at or prior to the Closing pursuant to the terms of this Agreement (considered collectively), and each of those covenants, agreements and conditions (considered individually), must have been duly performed and complied with in all material respects.

No Litigation. No Proceeding shall have been instituted or, to the Holders' Knowledge, be Threatened, before any Governmental Body by any Person, (i) making any challenge to, or seeking damages or other relief in connection with, the transactions contemplated in this Agreement, or (ii) that may have the effect of restraining, enjoining or prohibiting, making illegal or otherwise interfering with such transactions, or (iii) is reasonably likely to have a material adverse affect upon the Buyer or Matrix.

Hart-Scott-Rodino Compliance. All applicable waiting periods (and any extensions thereof) under the HSR Act shall have expired or otherwise been terminated.

Closing Documents. Buyer and Matrix shall have executed and delivered to the Holder Representative such agreements, certificates, instruments, legal opinion and documents as are contemplated by this Agreement.

#### TERMINATION

Termination of Agreement. This Agreement may be terminated only as follows:

Mutual Consent. The Holder Representative, Buyer and Matrix may terminate this Agreement prior to the Closing by mutual written agreement.

Conditions Not Satisfied.

By Buyer. Buyer or Matrix may terminate this Agreement upon notice to Holder Representative delivered at any time following April 15, 2003 and prior to the Closing, in the event any of the conditions set forth in Section 9.02 have not been satisfied for any reason on or prior to that date (other than any failure of such condition(s) to be so satisfied by reason of a breach by the Holders of any of their covenants set forth in this Agreement) which have not been waived by Buyer or Matrix on or prior to that date.

By the Holder Representative. The Holder Representative may terminate this Agreement upon notice to Buyer and Matrix delivered at any time following April 15, 2003 and prior to the

Closing, in the event any of the conditions set forth in Section 9.01 have not been satisfied for any reason on or prior to that date (other than any failure of such condition(s) to be so satisfied by reason of a breach by the Buyer or Matrix of their covenants set forth in this Agreement), which have not been waived by the Holder Representative on or prior to that date.

Notwithstanding the provisions of Sections B.1 and B.2, above, the Parties each agree that, in the event the Closing shall not have occurred on or before April 15, 2003 by reason of a failure of any condition precedent set forth in Section B.1 or B.2 to have been satisfied or waived, and in the event the failure of such condition precedent to be so satisfied relates primarily to a failure by the Holders or any member of The Hake Group of Companies to comply with any Environmental Laws, or to any Environmental, Health and Safety Liability, then each Party shall refrain from exercising their respective termination right provided for above until May 15, 2003, and shall continue until that date to reasonably cooperate with each other in an attempt to satisfy that condition precedent.

Breach by a Party. Either Buyer and Matrix, on the one hand, or the Holder Representative (on behalf of itself and The Hake Group of Companies), on the other hand, may terminate this Agreement if a breach of any of the provisions of this Agreement has been committed by the other Party(s) or, in the case of a termination by Buyer and Matrix, committed by Buy one of The Hake Group of Companies, and such breach (if curable) has not been (i) cured by such other Party (or one of The Hake Group of Companies, as applicable) within ten (10) days after notice thereof is delivered to such breaching party, or (ii) waived by the non-breaching party at or prior to the Closing.

Effect of Termination. Except as described in this Section 10.02, each Party's right of termination under Section 10.01 is in addition to, and not in lieu of, any other rights or remedies that it may have under this Agreement, at law, in equity or otherwise, and the exercise of a right of termination will not be an election of remedies. No such termination shall be deemed to relieve any Party from responsibility for any breach by it under this Agreement occurring prior to such termination. Notwithstanding the foregoing, in no event shall any Party be liable for any consequential, exemplary, special, incidental or punitive damages and no Party shall be entitled to recover more than its out-of-pocket expenses. This section describes a Party's sole and exclusive remedies for a termination pursuant to Section 10.01.

#### DELIVERIES AND ACTIONS TO BE TAKEN AT THE CLOSING

Deliveries by Holders. The Holders agree to deliver (duly executed where appropriate) to Buyer at the Closing each of the following:

Equity Interests. Certificates or other instruments (including but not limited to lost certificate affidavits and indemnities) representing the Equity Interests (provided such entity issued certificates therefore), duly endorsed (or accompanied by duly executed stock or similar powers) for transfer to Buyer (collectively, the "Certificates & Powers").

Resolutions. Copies of resolutions duly adopted by the Board of Directors or similar body of Skyview Partners LLC and of Hake Group, Inc., approving the transactions contemplated in this Agreement in a form reasonably satisfactory to the Buyer, certified by an appropriate officer of each of the entity as being correct, complete and in full force and effect as of the Closing Date.

Certificate. A Certificate dated the Closing Date from the Holder Representative, certifying as to the fulfillment of the conditions set forth in Section 0

Resignations. The Holder Representative shall deliver to Buyer the executed written resignation of each of the directors of the Hake Group, Inc. effective as of the Closing Date.

Payment of Liens and Encumbrances. Written confirmation that the Encumbrances (other than Permitted Encumbrances) required to be removed at Closing have been paid, released and discharged.

Opinion of Counsel. An opinion from Pepper Hamilton LLP, counsel for The Hake Group of Companies, in form and substance reasonably satisfactory to Buyer.

Assignment & Assumption Agreements. The Hake Group of Companies shall execute and deliver the Retained Assets Assignment & Assumption Agreement.

Delivery of Corporate Records. The complete minute books and corporate seal of The Hake Group of Companies shall be sent to Matrix.

Other Documents. Such other documents as may be reasonably requested by the Buyer as necessary to effect the Closing of the transactions contemplated in this Agreement as such Closing is herein contemplated.

Deliveries by Buyer and Matrix. Buyer and Matrix covenant to deliver (duly executed where appropriate) to the Holders at the Closing each of the following:

Resolutions. A copy of resolutions duly adopted by the Board of Directors of Buyer and Matrix, approving the transactions contemplated in this Agreement and in a form reasonably satisfactory to the Holder Representative, certified by an officer of Buyer and Matrix as being correct, complete and in full force and effect as of the Closing Date.

Cash Amount. The Estimated Cash Amount of the Purchase Price, by means of a wire transfer of immediately available federal funds to such account of the Holder Representative as the Holders shall direct in writing.

Certificate. A Certificate from a duly authorized officer of Buyer and Matrix, dated the Closing Date, certifying as to the fulfillment of the conditions set forth in Section 0

Opinion of Counsel. An opinion from Hall, Estill, Hardwick, Gable, Golden & Nelson, PC, counsel for Buyer and Matrix, in a form reasonably satisfactory to the Holder Representative.

Other Documents. Such other documents as may be reasonably requested by the Holder Representative as necessary to effect the closing of the transactions contemplated in this Agreement as such closing is herein contemplated.

Actions and Deliveries Simultaneous. Notwithstanding the order of the deliveries by the Parties set forth above, all actions and deliveries shall occur simultaneously and none shall be deemed to have been completed until each of the actions and deliveries set forth in this Article XI has been completed or has been waived by the Party entitled to make such waiver.

#### INDEMNIFICATION; REMEDIES

Survival; Right to Indemnification Not Affected by Knowledge. All representations, warranties, covenants and obligations set forth in this Agreement, the certificates delivered pursuant to Sections 0D. and 0C, and any other certificate or document delivered pursuant to this Agreement will survive the Closing and shall expire on the fifth anniversary from the Closing Date. The right to indemnification, payment of "Damages" or other remedies based on such representations, warranties, covenants and obligations will not be affected by the Closing, by any earlier termination of this Agreement, or by any investigation conducted by any Person with respect to, or any knowledge acquired by any Person at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to, the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages or other remedy based on such representations,

warranties, covenants and obligations. Except for Damages resulting from, arising out of or in connection with common law fraud, this section states the sole and exclusive remedy with respect to the accuracy or inaccuracy of or compliance with or performance of any representation, warranty, covenant or obligation pursuant to this Agreement (except under 0, the Retained Liabilities Assignment and Assumption Agreement or any of Sections0(Certain Employment Matters), or0(Holder Environmental Indemnifications)).

Indemnification and Payment of Damages By the Holders. Except as provided in Section 12.03, each Holder identified on Schedule 12.02A agrees, jointly and severally, and each Holder identified on Schedule 12.02B agrees severally but not jointly, to defend, indemnify and hold the Buyer, Matrix, The Hake Group of Companies (after the Closing) and their respective directors, officers, shareholders, Affiliates, successors and assigns (collectively, "Matrix Indemnitees") harmless from and against, and to pay to the Matrix Indemnitees the amount of, any and all debts, obligations, losses, claims, damages (including without limitation, direct, indirect, special incidental and consequential damages), Liabilities, deficiencies, Proceedings, demands, assessments, Orders, judgments, writs, decrees, costs and other expenses (including without limitation, costs of investigation and defense and reasonable attorneys' and accountants' fees), and diminution of value, whether or not involving a third-party claim, of any nature and of any kind whatsoever, but net of insurance proceeds received by any Matrix Indemnitees in respect of any such item, (collectively, "Damages"), that may be suffered or incurred by them (or any of them) resulting from, arising, directly or indirectly, out of or in connection with (without duplication):

Any misrepresentation or breach of warranty made by the Holders in this Agreement or in any Ancillary Document

Any breach by the Holders after the Closing of any covenant, agreement or obligation of the holders or of The Hake Group of Companies in this Agreement or in any Ancillary Document to which it is a party, other than a breach of the Holder's obligations pursuant to 0, the Retained Liabilities Assignment and Assumption Agreement or any of Sections0(Certain Employment Matters) or0(Holder Environmental Indemnifications).

The Retained Liabilities (and each of them); it being understood and agreed by the Buyer and Matrix that the foregoing right of the Matrix Indemnitees to be defended, indemnified and held harmless from and against the Retained Liabilities may be exercised by the Matrix Indemnitees regardless of whether such Retained Liabilities are the subject of any representations or warranties set forth in Article V or any disclosure(s) by the Holders in connection with those representations and warranties.

All Damage payments to Buyer or Matrix hereunder shall be deemed adjustments to the Purchase Price.

Specific Holder Indemnifications.

Environmental. The Holders agree to indemnify, defend, and hold harmless the Matrix Indemnitees against and from any and all:

misrepresentations or breaches of any warranties in Sections 5.34 - 5.40;

administrative or other legal claims, suits, actions, judgments, or orders of any nature whatsoever suffered or incurred that relate to the use, transportation, storage, or disposal of Hazardous Materials at the Leased Property or Talbot Property prior to Closing; or

costs of investigation, removal, remediation, or other response costs, to the extent required by any Governmental Body pursuant to any Environmental Law and to permit industrial use of the Leased Property or Talbot Property, incurred as a result of any Release or threat of Release of any Hazardous Materials at, on, or from the Leased Property or the Talbot Property due to the use, transportation, storage, or disposal of Hazardous Materials occurring prior to Closing. Notwithstanding the foregoing, the Holders shall have the right, but not the duty, to discharge their obligations under this Section by performing or selecting and retaining an environmental consultant and any other appropriate expert to perform any required investigations, removal actions, response actions, and/or remediations of any Release or threatened Release of Hazardous Materials at, on, from, or under the Leased Property or the Talbot Property consistent with industrial cleanup criteria or other cleanup criteria as directed by any Governmental Body.

Litigation. The Holders agree to indemnify, defend and hold harmless the Matrix Indemnitees from any and all Damages arising out of any litigation either pending or Threatened as of the Closing Date, including, but not limited to, items identified on Schedules 5.51A (except the two sales tax audits which are addressed in Article 7) and the first four items identified on Schedule 5.54.

Consequential Damages. The Holders agree to indemnify, defend and hold harmless the Matrix Indemnitees from any Damages which constitute consequential damages based on or arising out of matters occurring prior to the Closing Date for the WIP Contracts identified on Schedule 12.03C and for consequential damages based on or arising out of matters occurring either before or after the Closing under any other contract pursuant to which the Hake Group of Companies provides services, unless, with respect to matters occurring after the Closing, such matters are the result of willful or intentional misconduct of Matrix, Buyer or the Hake Group of Companies after Closing.

Limitations on Holders' Indemnification.

General Limitations. Notwithstanding the provisions of Section 12.02, the Holders shall have no obligation to indemnify or hold harmless any Matrix Indemnitee pursuant to Section 12.02:

If the amount of Damages arising from any one event or group of similar events is less than \$10,000 ("De Minimus Damages"); and

until such time as the sum of all Damages excluding De Minimus Damages that are suffered or incurred by all Matrix Indemnitees, collectively, resulting from or arising out of all misrepresentations and breaches of warranties shall exceed \$250,000 in the aggregate, at which time the Holders shall indemnify and hold harmless all Matrix Indemnitees pursuant to Section 12.02 for all Damages then and thereafter suffered or incurred by them, including without limitation, that initial \$250,000 in Damages;

once the total amount of Damages paid by the Holders pursuant to this 0 exceeds in the aggregate Ten Million Dollars (\$10,000,000.00), as the same may be reduced by any amounts paid in respect of the Retained Liabilities as described in clauses (ii), (iii) and (iv) of the definition of the term "Retained Liabilities."

Insurance Limitations. If after the Closing Date Buyer does not maintain the insurance of The Hake Group of Companies that was in place on the Closing Date (the "Existing Insurance"), no Holder shall have any Liability pursuant to this Agreement or any Ancillary Document for any amounts which would have been paid by the Existing Insurance had such Existing Insurance continued in full force and effect; provided that, Buyer shall not be required to maintain any Existing Insurance if it, or comparable replacement insurance is no longer available or it or comparable replacement insurance is available only upon terms that are commercially unreasonable by reason of materially less beneficial coverage or materially more onerous coverage/cooperation provisions or at an expense materially in excess of the existing cost of such insurance and Matrix does not obtain comparable insurance for its other comparable operations by reason of such unavailability.

Exceptions to Section 0 A. Limitations. Anything to the contrary in Section 0 A. notwithstanding, the limitations on the Matrix Indemnitees' right to indemnification contained in Section 0 A. shall not apply to the following:

Any Damages resulting from, arising out of or in connection with any of the Retained Liabilities; or

Any Damages resulting from, arising out of or in connection with any common law fraud.

Indemnification By Buyer and Matrix. Buyer and Matrix, jointly and severally, shall defend, indemnify and hold the Holders, and their respective directors, officers, shareholders, Affiliates, successors and assigns (collectively, the "Holder Indemnitees"), harmless from and against, and will pay to the Holder Indemnitees the amount of, all Damages suffered or incurred by them (or any of them) resulting from, arising directly or indirectly out of or in connection with (without duplication):

Any misrepresentation or breach of warranty made by Buyer or Matrix in this Agreement or in any Ancillary Document to which it is a party.

Any breach by Buyer or Matrix of any covenant, agreement or obligation of Buyer or Matrix in this Agreement or in any Ancillary Document to which it is a party.

Procedure for Indemnification.

Notice of Claims. Promptly after receipt by a Party (the "Claiming Party") of notice of the commencement or assertion of any claim, action, suit, Proceeding, arbitration, audit, hearing, investigation, Order or litigation (each a "Claim") against it or any Holder Indemnitee (in the case of the Holders) or any Matrix Indemnitee (in the case of Buyer, Matrix and The Hake Group of Companies), and if a claim is to be made by the Claiming Party against any other Party (the "Indemnifying Party") for indemnification with respect to that Claim pursuant to Section 12.02 or 12.05 (as applicable), the Claiming Party shall promptly give notice to the Indemnifying Party of the commencement or assertion of such Claim; provided, that the failure to so notify the Indemnifying Party of the commencement or assertion of such Claim will not relieve the Indemnifying Party of any liability that it may have to any Matrix Indemnitee or Holder Indemnitee (as applicable) hereunder, except to the extent that such Indemnifying Party demonstrates that the defense of such action was prejudiced by the Claiming Party's failure to give such notice. The notice contemplated herein shall describe the Claim and the specific facts and circumstances in reasonable detail, shall include a copy of any related notices or written claims

from third-parties, and shall indicate the amount, if known, or an estimate, if possible, of the Damages that have been or may be suffered or incurred.

Assumption of Defense. If any Claim is brought against a Matrix Indemnitee or a Holder Indemnitee and the Claiming Party gives notice to the Indemnifying Party of such Claim, the Indemnifying Party will, unless the Claim involves Taxes (which shall be resolved in accordance with the procedures in 0), be entitled to participate in such Claim and, to the extent that it wishes (unless (i) such Indemnifying Party is also a party to such Claim and the Claiming Party determines in good faith that joint representation would be inappropriate, or (ii) the Indemnifying Party fails to provide reasonable assurance to the Claiming Party of its financial capacity to defend such Claim and provide indemnification with respect to such Claim), to assume the defense of such Claim with counsel reasonably satisfactory to the Claiming Party and, after notice from the Indemnifying Party to the Claiming Party of its election to assume the defense of such Claim, the Indemnifying Party will not, as long as it diligently conducts such defense, be liable to the Claiming Party or the other relevant Holder Indemnitee(s) or Matrix Indemnitee(s) (as applicable) under this Section 0 for any fees of other counsel or any other expenses with respect to the defense of such Claim, in each case subsequently incurred by the Claiming Party or the other relevant Holder Indemnitee(s) or Matrix Indemnitee(s) (as applicable) in connection with the defense of such Claim, other than their reasonable costs of investigation. If the Indemnifying Party assumes the defense of a Claim, (i) it will be conclusively established for purposes of this Agreement that the Claim (and any resulting Damages) are within the scope of and subject to indemnification by the Indemnifying Party; (ii) no compromise or settlement of such claims may be effected by the Indemnifying Party without the Claiming Party's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Person and no effect on any other Claims that may be made against the Claiming Party or any other Holder Indemnitee or Matrix Indemnitee (as applicable), and (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party; and (iii) the Claiming Party and each relevant Holder Indemnitee or Matrix Indemnitee (as applicable) will have no liability with respect to any compromise or settlement of such Claims effected without its consent. The Claiming Party and any relevant Holder Indemnitee or Matrix Indemnitee shall be entitled to participate (at its expense) in the defense of any Claim assumed by the Indemnifying Party as contemplated herein. If notice is given to an Indemnifying Party of any Claim and the Indemnifying Party does not, within ten days after the Claiming Party's notice is given, give notice to the Claiming Party of its election to assume the defense of such Claim, the Indemnifying Party will no longer have the right to assume that defense, and will be bound by any determination made in such Claim or any compromise or settlement effected by the Claiming Party or any other Holder Indemnitee or Matrix Indemnitee (as applicable).

Exception. Notwithstanding the foregoing, if a Claiming Party or any other Holder Indemnitee or Matrix Indemnitee (as applicable), determines in good faith that there is a reasonable probability a Claim (other than a claim arising under Section 12.02(c) hereof) may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, that party or Person may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise or settle such Claim, but the Indemnifying Party will not be bound by any determination of a Claim so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

Other Claims. A claim for indemnification for any matter not involving a third-party Claim may be asserted by notice to the Party from whom indemnification is sought.

Cooperation of Parties. The Party assuming the defense of any Claim shall keep the other Party(s) reasonably informed at all times of the progress and development of the Party's defense of and

compromise efforts with respect to such Claim, and shall furnish the other Party(s) with copies of all relevant pleadings, correspondence and other papers. In addition, the Parties to this Agreement shall cooperate with each other, and make available to each other and their representatives all available relevant records or other materials required by them for their use in defending, compromising or contesting any Claim.

No Liability of The Hake Group of Companies. In the event a Claim is made against the Holders for any Damages incurred by Buyer or Matrix, the Holders shall not, nor shall they be entitled to, maintain, assert or make a claim against any member of The Hake Group of Companies, or the directors or officers of each, for contribution, indemnity or any other recovery, it being the intention of the Parties hereto that after the Closing The Hake Group of Companies shall have no liability, obligation or responsibility to the Holders for any breach or nonfulfillment of the representations, warranties, covenants or obligations of Buyer and Matrix made in this Agreement.

#### Arbitration.

Referral. If any dispute under this Agreement or any Ancillary Document arises and the relevant Parties are unable to resolve such dispute, the unresolved dispute shall be resolved by arbitration if a Party requests arbitration in accordance with this Section 0. The place of arbitration shall be in Philadelphia, Pennsylvania. Arbitration shall be conducted under the auspices of the American Arbitration Association ("AAA"). Except as otherwise provided in this Section 0, the Rules of the AAA shall govern all proceedings; and in the case of conflict between the AAA Rules and this Agreement, the provisions of this Agreement shall govern.

Demand. Any Party may initiate arbitration by making a demand on the other relevant Party(s) and simultaneously filing copies of the demand, together with the required fees, with the AAA office in Philadelphia, Pennsylvania. The demand shall contain those provisions required by the Rules of the AAA and shall also request the AAA to designate and appoint one person as the arbitrator, who shall act as the sole arbitrator to resolve the matter.

Discovery. The Parties shall have the right of discovery in accordance with the Federal Rules of Civil Procedure except that discovery may commence immediately upon the service of the demand for arbitration. A Party's unreasonable refusal to cooperate in discovery shall be deemed to be refusal to proceed with arbitration and, until AAA has designated the arbitrator, the Parties may enforce their rights (including the right of discovery) in the courts. Such enforcement in the courts shall not constitute a waiver of a Party's right to arbitration. Upon his or her appointment, the arbitrator shall have the power to enforce the Parties' discovery rights.

Binding Decision. The Parties shall be bound by the decision of the arbitrator and accept his or her decision as the final determination of the matter in dispute. The prevailing Party(s) shall be entitled to enter a judgment in any court upon any arbitration award made pursuant to this Section 0. The arbitrator shall award the costs and expenses of the arbitration, including reasonable attorneys' fees, disbursements, arbitration expenses, arbitrators' fees and the administrative fee of the AAA, to the prevailing Party as shall be determined by the arbitrator. The dispute resolution procedure set forth in this Section 12.07 shall be the sole procedure by which disputes between the Parties under this Agreement or any Ancillary Document shall be resolved.

Claims Against Deferred Portion of the Purchase Price. If at any time or times prior to the expiration date of Buyer's right to make a Claim for Damages against the Holders pursuant to Article XII of this Agreement, Buyer makes a Claim (a "Notice of Claim") that, pursuant to the terms of this Agreement, would reduce the Deferred Portion of the Purchase Price, Buyer shall give notice thereof to the Holder Representative in accordance with the procedures of Section 12.07 of

this Agreement. If the Holder Representative dispute such Claim, the Holder Representative must give written notice thereof (the "Claim Dispute Notice"), to Buyer within fifteen (15) days after the date of Buyer's Notice of Claim, in which case the Buyer shall delay making any permanent reduction in the Deferred Portion of the Purchase Price until such time as the Claim is resolved by the mutual agreement of the Parties or by arbitration pursuant to Section 12.08 hereof; provided however, any scheduled payments that become due and payable from the Deferred Portion of the Purchase Price as provided in Section 2.02B. hereof shall be reduced by the amount of such Claim until such Claim is resolved as provided above. If the Holder Representative fails to deliver a Claim Dispute Notice within such fifteen (15) day period, such Claim shall be deemed to have been acknowledged and accepted by the Holders and the Deferred Portion of the Purchase Price shall be permanently reduced by the full amount as set forth in the Claim and shall be applied to reduce the first maturing payment due of the Deferred Portion of the Purchase Price. In the event that the amount subject to the Claim is unliquidated, Buyer shall have made a good faith estimate as to the amount of the Claim that is included in the Notice of Claim.

Payment Procedures. In the event any payment required to be made by any party (the "Defaulting Party") hereto is not made when due (a "Payment Default") the party to whom such payment was to be made (the "Non-defaulting Party") shall be entitled to recover from the Defaulting Party interest on the amounts not paid at the Default Rate from the date such Payment Default occurred until the date such Payment Default (together with all interest and Collection Expenses payable in conjunction therewith) is paid in full. In addition, the Non-defaulting Party shall be entitled to recover from the Defaulting Party all costs and expenses of collection (including reasonable attorneys' fees) incurred in connection with such Payment Default (the "Collection Expenses"). In the event that any portion of the Deferred Portion of the Purchase Price (a "Deferred Portion") is not paid on the date scheduled for payment of such amounts (the "Scheduled Date") by reason of any unresolved claim for indemnification hereunder (an "Unresolved Indemnity Claim"), if upon resolution of such Unresolved Indemnity Claim, the Holders shall be entitled to receive any portion of the Deferred Portion, the Holders shall also be entitled to be paid by Matrix, interest at the Withholding Rate from the Scheduled Date until the date on which payment is received, pursuant to this Section. For purposes of this Agreement, "Default Rate" means the interest rate in effect from time to time on the Matrix Revolving Credit Loan plus three percent (3%) and "Withholding Rate" means the interest rate in effect from time to time on the Matrix Revolving Credit Loan.

#### MISCELLANEOUS PROVISIONS

Confidentiality of Agreement. Each Party agrees that it will treat in confidence all Confidential Information which such Party shall have obtained regarding the other Parties during the course of the negotiations leading to the consummation of the transactions contemplated in this Agreement (whether obtained before or after the date hereof), the investigation provided for herein and the preparation of this Agreement and the Ancillary Documents, and in the event the transactions contemplated in this Agreement shall not be consummated, each Party will return to the other Parties all copies of Confidential Information which have been furnished in connection herewith. Such Confidential Information shall not be communicated to any third Person (other than to each Party's counsel, accountants, financial advisors and lenders). No other Party shall use any Confidential Information in any manner whatsoever except solely for the purpose of evaluating the proposed purchase and sale of the Equity Interests; provided, that after the Closing, Buyer and Matrix may use or disclose any Confidential Information included in the assets, properties or

rights of The Hake Group of Companies, or otherwise reasonably related to The Hake Group of Companies or their assets, properties or rights. The obligation of each Party to treat such documents, materials and other information in confidence shall not apply to any Confidential Information which (i) is required to be disclosed under applicable law or judicial process, but only to the extent it must be disclosed, or (ii) such Party reasonably deems necessary to disclose to obtain any of the consents or approvals contemplated herein. Notwithstanding the foregoing, the terms of the Confidentiality Agreement between Matrix and The Hake Group, Inc. dated as of September 9, 2002 shall continue to be binding upon the Parties in accordance with its terms, regardless of any termination of this Agreement, until and unless the Closing shall occur.

Consent to Jurisdiction. Each of the Parties hereto consents and voluntarily submits to personal jurisdiction in the Commonwealth of Pennsylvania and in the courts in such state located in Delaware County and the United States District Court for the Eastern District of Pennsylvania in any Proceeding arising out of or relating to this Agreement which is not subject to arbitration as provided in Section 11, and agrees that all claims in respect of the Proceeding may be heard and determined in any such court. Each of the Parties hereto further consents and agrees that such Party may be served with process in the same manner as a Notice may be given under Section 0 Each Party agrees that any action instituted by it against another Party with respect to this Agreement will be instituted exclusively in the United States District Court for the Eastern District of Pennsylvania or, if such Court does not have jurisdiction to adjudicate such action, in the Courts of the Commonwealth of Pennsylvania located in Delaware County. Each Party irrevocably and unconditionally waives and agrees not to plead, to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of venue or the convenience of the forum of any action with respect to this Agreement in the United States District Court for the Eastern District of Pennsylvania and the Courts of the Commonwealth of Pennsylvania located in Delaware County. Each Party agrees that a final judgment in any Proceeding so brought, and in any arbitration proceeding pursuant to Section 12.07, shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity, in any court or other tribunal having competent jurisdiction.

Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any Legal Requirement shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. In the event of any inconsistency between the statements in the body of this Agreement and those in the Schedules (other than an exception expressly set forth as such in the Schedules rather than in any agreement or document referred to in or attached to such Schedule), the statements in the body of this Agreement will control. The Parties intend that each representation, warranty, covenant and obligation contained herein shall have independent significance. If any Party has breached any representation, warranty, covenant or obligation contained herein in any respect, the fact that there exists another representation, warranty, covenant or obligation relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, covenant or obligation. Unless the context clearly states otherwise, the use of the singular or plural in this Agreement shall include the other and the use of any gender

shall include all others. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

Entire Agreement. This Agreement embodies the entire agreement and understanding of the Parties hereto with respect to the subject matter herein contained, and supersedes all prior agreements, correspondence, arrangements and understandings relating to the subject matter hereof. This Agreement may be amended, modified, superseded, or canceled only by a written instrument signed by all of the Parties hereto, and any of the terms, provisions, and conditions hereof may be waived only by a written instrument signed by the waiving Party.

Exhibits and Schedules. All Exhibits to this Agreement and the Schedules hereto shall constitute part of this Agreement and shall be deemed to be incorporated herein by reference, in their entirety and made a part hereof, as if set out in full at the point where they first are mentioned. References in this Agreement to a specific Schedule shall refer solely to such Schedule and shall not be deemed to include material included in any other Schedule, unless the Schedule specifically states that the material is to be included in another specified Schedule.

Expenses. Except as otherwise specifically provided in this Section 13.06 or elsewhere in this Agreement, each Party to this Agreement will bear its respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated herein, including all fees and expenses of agents, representatives, counsel and accountants, In the event of the termination of this Agreement, the obligation of each Party to pay its or his own expenses will be subject to any rights of each party arising from a breach of this Agreement by another party. The Hake Group of Companies and Matrix shall each pay one-half of the HSR Act filing fee, at the time of such filing.

Governing Law. This Agreement is executed and delivered in, and shall be governed by and construed in accordance with the laws of, the Commonwealth of Pennsylvania, without giving effect to any conflict of law rule or principle that might require the application of the laws of another jurisdiction.

Headings. The headings in this Agreement are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof.

Invalidity of Provisions; Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall to any extent be held in any Proceeding to be invalid, illegal or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid, illegal or unenforceable, shall not be affected thereby, and shall be valid, legal and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties' essential objectives as expressed herein. Notwithstanding the foregoing, each Party hereto agrees that it has reviewed the provisions of this Agreement, and that the same, taken as a whole, are fair and reasonable. The Parties hereto 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.

No Third Party Beneficiaries. This Agreement is not intended to, and shall not be construed to, confer upon any third Person any right, remedy or benefit nor is it intended to be enforceable by any third Person, and shall only be enforceable by the Parties hereto, and their respective successors and permitted assigns.

Notices.

Giving of Notices. All notices, requests, consents, approvals, waivers, demands and other communications required or permitted to be given or made hereunder (collectively, "Notices") shall be given or made in writing and (1) personally delivered against a written receipt, or (2) sent by confirmed telephonic facsimile, or (3) delivered to a reputable express messenger service (such as Federal Express, DHL Courier and United Parcel Service) for overnight delivery, addressed as follows (or to such other address as a Party shall have given Notice to the other):

If to any Holder or Guarantor: Holder Representative

Skyview Partners LLC  
c/o Eizen McCarthy and Fineburg, PC  
Two Commerce Square, 34th Floor  
2001 Market Street  
Philadelphia, PA 19103  
Fax: 215/751-9310

With a copy (which shall not constitute notice) to:

Elam M. Hitchner, Esq.  
Pepper Hamilton LLP  
3000 Two Logan Square  
Philadelphia, PA 19103  
Fax: 215/981-4253

If To Buyer Or Matrix:

Matrix Service Company  
10701 East Ute Street  
Tulsa, Oklahoma 74116  
Attn: Chief Financial Officer  
Fax: 918/838-8810

With a copy (which shall not constitute notice) to:

Larry W. Sandel, Esq.  
Hall, Estill, Hardwick, Gable, Golden & Nelson  
320 South Boston Avenue, Suite 400  
Tulsa, Oklahoma 74103-3708  
Fax: 918/594-0505

Time Notice Deemed Given. All Notices shall be effective upon being properly personally delivered, or upon confirmation of a telephonic facsimile, or upon the delivery to a reputable express messenger service. The period in which a response to any such Notice must be given shall

commence to run from the date on the receipt of a personally delivered notice, or the first business day following the date of confirmation of a telephonic facsimile or two days following the proper delivery of the Notice to a reputable express messenger service, as the case may be.

Specific Performance. Each Party acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, the Holders, on the one hand, and Buyer and Matrix, on the other, agree that the other(s) shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court permitted by the terms of this Agreement, in addition to any other remedy to which it or he may be entitled, at law or in equity.

Successors and Assigns.

Assignment. The rights of any Party under this Agreement shall not be assignable by such Party hereto prior to the Closing without the consent of the other Parties, except that the rights of Buyer hereunder may be assigned prior to the Closing, without the consent of the Holders, to any corporation all of the outstanding capital stock of which is owned or controlled by Matrix, or to any general or limited partnership, or limited liability company or partnership, in which Matrix or any such corporation is a general partner or controlling member; provided that

such assignment shall not result in the Holders or The Hake Group of Companies having to amend its respective Notification and Report Form filed under the HSR Act in connection with the transactions contemplated herein,

the assignee shall assume in writing all of such Party's obligations hereunder,

the Holders and Matrix shall not be released from any of its obligations hereunder by reason of such assignment, and

the assigning Party's obligations under this Agreement shall be subject to the delivery by such assignee, on or prior to the Closing Date, of a certificate signed on its behalf containing representations and warranties similar to those made by the assigning Party herein.

Successors. All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their successors and permitted assigns. The successors and permitted assigns hereunder shall include without limitation, in the case of Buyer, any permitted assignee as well as the successors in interest to such permitted assignee (whether by merger, liquidation (including successive mergers or liquidations) or otherwise). This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their successors and permitted assigns.

Waiver. The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable Legal Requirement, (a) no claim or right arising out of this Agreement or the

documents referred to in this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Parties, (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

[Signatures are on the Following Page]

In Witness Whereof, the Parties hereto have duly executed this Agreement as of the date first above written.

HAKE ACQUISITION CORP.

MATRIX SERVICE COMPANY

-----

-----

Print Name: -----

Print Name: -----

Title: -----

Title: -----

SKYVIEW PARTNERS LLC

SKYVIEW PARTNERS LLC

-----

-----

Name: Frank W. Hake, II  
Title: Manager

Name: Jack H. Harper  
Title: Manager

SKYVIEW PARTNERS LLC

JAMES A. BOGAN, JR.,

-----

-----

Name: Alan Segal  
Title: Manager

JAMES DOUGHERTY

-----

The undersigned Seller Guarantors hereby execute this Agreement for purposes of agreeing to the provisions of Section 0 hereof.

NANCY H. HARPER

JAMES D. HAKE

-----

-----

BARBARA H. BONGARD

FRANK W. HAKE, II

-----

-----

JAMES D. HAKE, SR.

PAMELA H. HICKS

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APPENDIX I

CERTAIN DEFINED TERMS

As used in the Equity Interests Purchase Agreement dated as of March 7, 2003, among the Holders, Buyer and Matrix, the following capitalized terms shall have the meanings set forth below. References hereto to particular Sections shall refer to Sections of the Equity Interests Purchase Agreement, unless the context clearly requires a different construction.

"Accounts Receivable" shall mean, without duplication, the amount owing by a debtor created in the ordinary course of business and arising from the bona fide performance of services or the sale or lease of goods and such amount is shown on the balance sheet as an Accounts Receivable in accordance with GAAP.

"Acquisition Date Balance Sheet" shall have the meaning set forth in Section 0

"Actual Net Current Assets" shall have the meaning ascribed thereto in Section 0.

"Affiliate" shall mean any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. For purposes of this definition, "control" means the power, direct or indirect, to direct or cause the direction of the management and policies of the relevant Person, whether by ownership of securities, contract, law or otherwise.

"Agreed Procedure" shall mean GAAP subject to the exceptions specified in Exhibit C.

"Agreement" shall mean this Equity Interests Purchase Agreement, the Exhibits hereto, including those executed and delivered by one or more of the parties prior to or at the Closing pursuant hereto, and the Schedules hereto.

"Ancillary Documents" shall have the meaning set forth in Section 0

"Benefit Plans" shall have the meaning set forth in Section 0

"best efforts", "reasonable best efforts", "commercially reasonable efforts" and words of similar effect shall mean the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible; provided, however, that an obligation to use best efforts under any agreement does not require the Person subject to that obligation to incur a material expense or to take actions that would result in a materially adverse change in the benefits to such Person of such agreement and the transactions described therein.

"Certificates and Powers" shall have the meaning set forth in Section 0

"Claim" shall have the meaning set forth in Section 0

"Claiming Party" shall have the meaning set forth in Section 0

"Closing" shall have the meaning set forth in Section 0

"Closing Date" shall have the meaning set forth in Section 0

"Closing Date Balance Sheet" shall mean the balance sheet of The Hake Group of Companies as of the close of business on the Closing Date, prepared in accordance with the Agreed Procedure and with the provisions of Section 0 hereof.

"Code" shall mean the Internal Revenue Code of 1986 or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

"Computers" shall have the meaning set forth in Section 0

"Confidential Information" shall mean any information which is proprietary in nature and non-public or confidential, in whole or in part; provided however Confidential Information shall not include any information in the possession of the receiving Party and which was not received subject to any other confidentiality obligations (a) that is independently developed by the such Party, (b) is learned from a third Person not under any duty of confidence to the disclosing Party or (c) becomes part of the public domain through no fault of the receiving Party.

"Consent" shall mean any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

"Copyrights" shall have the meaning set forth in Section 0

"Damages" shall have the meaning set forth in Section 0

"Encumbrance" shall mean any charge, claim, community property interest, deed of trust, condition, equitable interest, lien, mortgage, easement, encumbrance, servitude, right of way, option, pledge, purchase agreement, conditional sale agreement, proxy, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Entity" shall mean any corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association or any other type of business organization.

"Environment" shall mean soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental, Health, and Safety Liabilities" shall mean any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:

(a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products);

(b) fines, penalties, judgments, awards, settlements, legal or administrative Proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law;

(c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("Cleanup") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or any other Person) consistent with the industrial use of such property and for any natural resource damages; or

(d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law to permit industrial use or Occupational Safety and Health Law.

The terms "removal," "remedial," and "response action," include the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. (S) 9601 et seq., as amended ("CERCLA").

"Environmental Law" shall mean any Legal Requirement that requires or relates to:

(a) advising appropriate authorities, employees, and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment;

(b) preventing the release of or threat of release of pollutants or hazardous substances or materials into the Environment or reducing pollutants or hazardous substances or materials to acceptable levels consistent with the industrial use of the property;

(c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated;

(d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(e) protecting resources, species, or ecological amenities;

(f) reducing to acceptable levels the risks inherent in the transportation, storage and disposal of hazardous substances, pollutants, oil, or other potentially harmful substances;

(g) cleaning up pollutants that have been released to levels that are consistent with the industrial use of the property, or paying the costs of such clean up or prevention; or

(h) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"Equity Interests" shall mean capital stock, voting and non-voting interests in any entity, membership interests and any other similar interests in any Entity.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"Estimated Balance Sheet" shall mean the unaudited balance sheet of the Company as of the Closing Date prepared in good faith by the Holder Representative on the Closing Date.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Excluded Equity Interests" shall mean all Equity Interests relating solely to the ownership of real property by an Entity included in The Hake Group of Companies, other than the Entity holding the real property and improvements constituting the fabrication plant used in the business of The Hake Group of Companies.

"Facilities" shall mean the Leased Real Property and the Talbot Property, collectively.

"Final Net Current Assets" shall have the meaning ascribed in Section 0

"Financial Statements" shall have the meaning set forth in Section 0

"GAAP" shall mean generally accepted United States accounting principles, applied on a basis consistent with the basis on which the Balance Sheet and the other audited Financial Statements referred to in Section 0 were prepared.

"Governmental Authorization" shall mean any approval, consent, certificate, registration, variance, exemption, right of way, franchise, privilege, immunity, grant, ordinance, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" shall mean any applicable (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hake Agreements" shall have the meaning set forth in Section 0

"Hazardous Activity" shall mean the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part thereof into the Environment, and any other act, business, operation, or thing that creates or poses an unreasonable risk of harm under any Environmental Law to persons or property on or off the Facilities, or that may affect the value of the Facilities or any of The Hake Group of Companies.

"Hazardous Materials" shall mean any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefore and asbestos or asbestos-containing materials.

"Holder Representative" shall mean Skyview Partners, LLC, a Delaware limited liability company.

"Holders" shall mean those Persons identified as such on Exhibit A hereto.

"HSR Act" shall have the meaning set forth in Section 0

"Immaterial Violations" -- shall have the meaning set forth in Section 0

"Indemnifying Party" shall have the meaning set forth in Section 0

"Intellectual Property" shall have the meaning set forth in Section 0

"IRS" shall mean the United States Internal Revenue Service or any successor agency, and, to the extent relevant, the United States Department of the Treasury.

"Knowledge of the Holders" or "to Holders' Knowledge" shall mean, with respect to a specific matter, any information actually known (and not imputed) by any of the following: Frank Hake, Alan Segal, Joseph Nestel, Sidney Laytin, Walter McFarland, James Bogan, Michael Bray, James Dougherty Sr., James Harris, John Morris, James Price, James Nevius, and Brian Morris but Brian Morris only with respect to Sections 00 and 0.

"Leased Real Property" shall mean all the real property and improvements owned by Affiliates of the Holders and currently leased to The Hake Group of Companies, other than the Talbot Property.

"Legal Requirement" shall mean any federal, state, local, municipal, foreign, international, multinational, or other Order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

"Liability" shall have the meaning set forth in Section 0

"Loss" shall mean any loss, damage, liability, cost, assessment and expense including, without limitation, any interest, fine, court cost and reasonable investigation cost, penalty and reasonable attorneys and expert witnesses, fees, and reasonable disbursements and expenses, after taking into account (i) any insurance proceeds actually received by or paid on behalf of any party incurring a Loss which are not required to be remitted by such party to the other party pursuant to the terms hereof, and (ii) any reserves or accruals related to such Loss to the extent accrued and reflected as a liability in the Closing Date Balance Sheet.

"Marks" shall have the meaning set forth in Section 0

"Matrix Indemnites" shall have the meaning set forth in Section 0

"Matrix Revolving Credit Loan" shall mean the most recent loan made pursuant to the Credit Agreement with Matrix and the Lenders named therein.

"Multi-Employer Plans" shall mean "Multiemployer Plans" as defined in either section 3(37) of ERISA or section 414(f) of the Code.

"Net Current Assets" shall mean the amount by which (A)(i) Cash and Cash Equivalents, plus (ii) Accounts Receivable - Net of Reserve for Doubtful Accounts, plus (iii) Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts, plus (iv) Prepaid Expenses and Other Current Assets, exceeds (B)(i) Accounts Payable, plus (ii) Accrued Expenses, plus (iii) Income Taxes Payable, plus (iv) Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts, as determined in Accordance with GAAP; provided that there be excluded from any determination of Net Current Assets, Notes and Advances due from Affiliates and Loans To Frank Hake.

"Notices" shall have the meaning set forth in Section 0

"Occupational Safety and Health Law" shall mean any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and, to the extent required by any Legal Requirement, any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Order" shall mean any award, decision, injunction, judgment, writ, decree, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator or arbitration panel.

"Ordinary Course of Business" shall mean an action taken by a Person will be deemed to have been taken in the "Ordinary Course of Business" only if:

(a) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person; and

(b) such action is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority).

"Organization Documents" shall mean, when used with reference to

(a) a corporate entity, its articles of incorporation and by-laws,

(b) a limited or general partnership, its articles or agreement of partnership and any certificate of partnership or similar instrument required to be filed in a state in connection with its formation and,

(c) any trust or other legal entity, any agreement or instrument establishing such trust or other entity.

"Parties" shall have the meaning set forth in the preamble of this Agreement.

"Patents" shall have the meaning set forth in Section 0

"PBGC" shall have the meaning set forth in Section 0

"Pension Plan" shall have the meaning set forth in section 3(2) of ERISA.

"Permitted Encumbrances" shall mean (i) such Encumbrances and minor imperfections of title that have arisen only in the Ordinary Course of Business; (ii) Encumbrances for current Taxes not yet due or for Taxes being contested in good faith by appropriate proceedings; (iii) any inchoate mechanic's and materialmen's Encumbrances for construction in process; (iv) any workmen's, repairmen's, warehousemen's and carriers Encumbrances arising in the Ordinary Course of Business; (v) easements, quasi-easements, rights of way, restrictive covenants and land use ordinances and zoning plans which are matters of public record; (vi) deposits or pledges to secure obligations under workers' compensation, social security or similar laws or under unemployment insurance; (vii) any "Permitted Exceptions" (as contemplated in Section 6.4(b)); and (viii) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business; in each case to the extent the same do not and will not detract in any material respect from the value (determined as if such Encumbrance did not exist) of, or impair the use or enjoyment of, or impair the sale, transfer, conveyance or assignment for fair value (determined as if such Encumbrance did not exist) of, any assets subject thereto or the operation of the businesses of The Hake Group of Companies as currently conducted.

"Person" shall mean any individual, entity, organization, labor union, or other entity or Governmental Body.

"Proceeding" shall mean any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative or informal, and whether in law or in equity) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator or arbitration panel.

"Purchase Price" shall have the meaning set forth in Section 0

"Release" has the meanings defined and set forth in any Environmental Law (including but not limited to CERCLA (S) 101(22) and/or equivalent State law) and includes but is not limited

to any spilling, leaking, emitting, discharging, disposing, pumping, emitting, injecting, migrating, depositing, escaping, leaching, dumping or other releasing of any Hazardous Material into the Environment, whether intentional or unintentional.

"Representative" shall mean with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"Retained Liabilities" means the following liabilities of The Hake Group of Companies:

(i) All liabilities of The Hake Group of Companies that are known and are reflected on Schedule 14 hereto.

(ii) All liabilities of The Hake Group of Companies relating to the use and handling of asbestos, whether known or unknown, contingent or otherwise, to the extent the same relate to any period ending with or prior to the Closing Date

(iii) All liabilities of The Hake Group of Companies to its employees for age, race and sex discrimination, sexual harassment, and violation of the Americans with Disabilities Act, whether known or unknown, contingent or otherwise, to the extent the same relate to any period ending with or prior to the Closing Date.

(iv) All liabilities of The Hake Group of Companies for environmental matters relating to the Leased Real Property and the Talbot Property, whether known or unknown, contingent or otherwise, to the extent any of the same relate to any period ending with or prior to the Closing Date, except to the extent such liabilities are increased by the use of the properties by Matrix.

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Software" shall have the meaning set forth in Section 0

"Survey" shall have the meaning set forth in Section 0

"Tax" shall have the meaning set forth in Section 0

"Tax Return" shall have the meaning set forth in Section 0

"Threat of Release" shall mean a substantial likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

"Threatened" shall mean a claim, Proceeding, dispute, action, or other matter will be deemed to have been "Threatened" if any demand or statement has been made in writing or any

notice has been given in writing, or if the Persons included within the definition of Holders' Knowledge have actual knowledge of such threat.

"Welfare Plan" shall have the meaning set forth in section 3(1) of ERISA.

"WIP Contracts" shall mean shall mean the contracts, agreements and work orders entered into by The Hake Group of Companies (or any of them) and identified on Exhibit B attached hereto (but only to the extent such contract is identified under the "Percentage Completed" column on Exhibit B as not being 100% completed as of the date hereof, (and then only to the extent performance by the relevant member of The Hake Group of Companies) under the same (exclusive of warranty or other similar undertakings) shall not have been fully completed by such member prior to the Closing), together with such other customer contracts, agreements and work orders as shall be added to Exhibit B by mutual written agreement of the Parties prior to the Closing.

exhibit a

Name of Holder	Hake Group of Companies Interests	Percentage of Purchase Price
Skyview Partners LLC	100% OF THE EQUITY INTERESTS IN HAKE GROUP, INC.	88.7%
James A. Bogan	15% OF THE EQUITY INTERESTS IN BOGAN, INC.	8.0%
James Dougherty	10% OF THE EQUITY INTERESTS IN MID-ATLANTIC CONSTRUCTORS, INC.	3.3%

The "Hake Group of Companies" consists of: Hake Group, Inc., Bogan, Inc., Frank W. Hake, Inc., Hover Systems, Inc., I&S, Inc., McBish Management, Inc., Mechanical Construction, Incorporated, Mid-Atlantic Constructors, Inc., Talbot Realty, Inc., Bish Investments, Inc. and I&S Joint Venture, L.L.C. except with reference to Sections 0 through 0 for which the "Hake Group of Companies" shall include all of the foregoing but shall also include Ragner Hake LLC. The parties acknowledge and agree that 50% of the membership interests in Ragner Hake LLC are owned by Ragner Benson, Inc. and that no interests in Ragner Benson, Inc. nor any interests held by Ragner Benson, Inc. in Ragner Hake LLC are being transferred as part of the transactions contemplated by the Agreement.



CREDIT AGREEMENT

DATED AS OF MARCH 7, 2003

AMONG

MATRIX SERVICE COMPANY,

THE LENDERS,

BANK ONE, OKLAHOMA, NA,  
AS AGENT,

WELLS FARGO BANK TEXAS, N.A.,  
AS CO-AGENT

AND

BANC ONE CAPITAL MARKETS, INC.  
AS LEAD ARRANGER AND SOLE BOOK RUNNER

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## CREDIT AGREEMENT

This Agreement, dated as of March 7, 2003, is among MATRIX SERVICE COMPANY, the Lenders (as defined herein) and BANK ONE, OKLAHOMA, NA, a national banking association having its principal office in Oklahoma, as LC Issuer and as Agent. The parties hereto agree as follows:

### ARTICLE I DEFINITIONS

As used in this Agreement:

"Account" shall have the meaning given in the Security Agreement.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

"Advance" means a borrowing hereunder, (i) made by some or all of the Lenders on the same Borrowing Date, or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting, in either case, of the aggregate amount of the several Loans of the same Type and, in the case of Eurodollar Loans, for the same Interest Period.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns twenty-five percent (25%) or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Agent" means Bank One, Oklahoma, NA in its capacity as contractual representative of the Lenders pursuant to Article X, and not in its individual capacity as a Lender, and any successor Agent appointed pursuant to Article X.

"Aggregate Commitment" means the aggregate of the Revolving Credit Commitments and the Term Loan Commitments of all the Lenders, as reduced from time to time pursuant to the terms hereof.

"Aggregate Outstanding Credit Exposure" means, at any time, the aggregate of the Outstanding Credit Exposure of all the Lenders.

"Agreement" means this Credit Agreement, as it may be amended or modified and in effect from time to time.

"Agreement Accounting Principles" means generally accepted accounting principles as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements referred to in Section 5.4.

"Alternate Base Rate" or "ABR" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2% per annum.

"Applicable Fee Rate" means, at any time, the percentage rate per annum at which Commitment Fees are accruing on the unused portion of the Aggregate Commitment at such time as set forth in the Pricing Schedule.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means Banc One Capital Markets, Inc., and its successors, in its capacity as Lead Arranger and Sole Book Runner.

"Article" means an article of this Agreement unless another document is specifically referenced.

"Authorized Officer" means, as to Borrower or any Subsidiary, (i) the President or any Vice President, or (ii) any other officer, manager or general partner designated as an authorized officer of such party in a certificate delivered pursuant to Section 4.1, or (iii) who is otherwise designated as such in a written certificate delivered to Agent.

"Available Aggregate Commitment" means, at any time, the Aggregate Commitment then in effect minus the Aggregate Outstanding Credit Exposure at such time.

"Borrower" means Matrix Service Company, a Delaware corporation, and its successors and assigns.

"Borrowing Base" means eighty percent (80%) of Consolidated Eligible Accounts Receivable.

"Borrowing Base Certificate" means a certificate in form and content as set forth on Exhibit "H" hereto, executed by each Grantor to a Security Agreement dated as of the applicable Borrowing Base Determination Date.

"Borrowing Base Determination Date" means the last day of each calendar month.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.8.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Oklahoma and New York City for the conduct of substantially all of their commercial lending activities, interbank wire transfers can be made on the Fedwire system and dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Oklahoma for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

"Capital Expenditures" means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with Agreement Accounting Principles excluding (i) the cost of assets acquired with Capitalized Lease Obligations, (ii) expenditures of insurance proceeds to rebuild or replace any asset after a casualty loss and (iii) leasehold improvement expenditures for which the Borrower or a Subsidiary is reimbursed promptly by the lessor.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Cash Equivalent Investments" means (i) short-term obligations of, or fully guaranteed by, the United States of America, (ii) commercial paper rated A-1 or better by S&P or P-1 or better by Moody's, (iii) demand deposit accounts maintained in the ordinary course of business, and (iv) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of \$100,000,000; provided in each case that the same provides for payment of both principal and interest (and not principal alone or

interest alone) and is not subject to any contingency regarding the payment of principal or interest.

"Change in Control" means (i) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 25% or more of the outstanding shares of voting stock of the Borrower.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"Collateral Documents" means, collectively, the Security Agreements, Mortgaged Properties Security Instruments and the Guaranty Agreements.

"Collateral Shortfall Amount" is defined in Section 8.1.

"Commitment" means, for each Lender, the obligation of such Lender to make Term Loans and Revolving Loans to, and participate in Swing Line Loans and Facility LCs issued upon the application of, the Borrower in an aggregate amount not exceeding the amount set forth opposite its signature below, as it may be modified as a result of any assignment that has become effective pursuant to Section 12.3.2 or as otherwise modified from time to time pursuant to the terms hereof.

"Consolidated Capital Expenditures" means, with reference to any period, the Capital Expenditures of the Borrower and its Subsidiaries calculated on a consolidated basis for such period.

"Consolidated Eligible Accounts Receivable" means as to the Borrower and each Subsidiary a party to a Security Agreement ("Grantor"), without duplication an Account owing by an account debtor ("Account Debtor") to the Grantor which meets the following requirements at the time it comes into existence and continues to meet the same until it is collected in full:

(i) it is genuine and in all respects what it purports to be;

(ii) it is created in the ordinary course of the Grantor's business and arises from: (a) (i) the bona fide performance of services by the Grantor and such services have been fully performed, acknowledged and accepted by the Account Debtor or (ii) if not fully performed, other Accounts identified on the Borrower's balance sheet, reduced to the extent billings in excess of costs and estimated earnings under uncompleted contracts approved and accepted by the Account Debtor exceeds costs and estimated earnings under uncompleted contracts; (b) the bona fide sale or lease of goods by the Grantor, and such goods have been completed in accordance with Account Debtor's specifications (if any) and delivered to and accepted by the Account Debtor, and the Grantor has possession of, or has delivered to the Agent at the Agent's request, shipping and delivery receipts evidencing such shipment, and, in the case of clauses (a) and (b) of this clause (ii), no part of such Account which represents interest or incidental service charges shall be considered an Eligible Account;

(iii) if the Account arises because of the sale of goods, such goods have been shipped or delivered on open account and on an absolute sale basis and not on consignment, on approval or on a sale-or-return basis or subject to any other repurchase or return agreement and no material part of such goods has been returned, repossessed, rejected, lost or damaged, provided that such goods may have been shipped on a C.O.D. basis (except to the extent that the Agent objects to the Account Debtor in question);

(iv) it is not evidenced by chattel paper or an instrument of any kind;

(v) it is evidenced by an invoice rendered to the Account Debtor thereunder which invoice is in form reasonably acceptable to the Agent and was sent to the Account Debtor concurrently with or not more than ten (10) days after the shipment and delivery to and acceptance by said Account Debtor of the goods giving rise thereto or performance of the services giving rise thereto, and such Account is due and payable no later than sixty (60) days after the date of the invoice and is not more than ninety (90) days past the date of the invoice;

(vi) not more than ten percent (10%) of the balance of all Accounts owing from the Account Debtor obligated on such Account has remained unpaid for more than ninety (90) days after the date of the relevant invoice (at all times when this condition is not met, all Accounts upon which such Account Debtor is obligated shall be ineligible Accounts);

(vii) it is owned by the Grantor, the Grantor has the right to subject it to a security interest in favor of Agent for the ratable benefit of the Lenders, and it is subject to a first priority perfected security interest in favor of the Agent for the ratable benefit of the Lenders, and to no other claims, Liens, security interests or encumbrances whatsoever;

(viii) it is a valid, legally enforceable and unconditional obligation of the Account Debtor thereunder, and is not subject to setoff, counterclaim, credit, allowance or adjustment by the Account Debtor thereunder, or to any claim by such Account Debtor denying liability thereunder in whole or in part, and such Account Debtor has not refused to accept and/or has not returned or offered to return any of the goods or services which are the subject of such Account;

(ix) the Account Debtor obligated on such Account is not insolvent or the subject of any bankruptcy or insolvency proceeding of any kind, neither the Agent nor the Required Lenders are dissatisfied with the creditworthiness of such Account Debtor, and, to the knowledge of the Grantor, there are no actions or proceedings which are then threatened or pending against the Account Debtor which might result in any material adverse change in its financial condition or in its ability to pay any Account in full;

(x) it does not arise out of a contract or order which, by its terms, forbids or effectively makes void or unenforceable the assignment by the Grantor to the Agent of the Account arising with respect thereto;

(xi) the Account Debtor is not a director, officer, employee, agent, Subsidiary or Affiliate of the Grantor or any Subsidiary of the Grantor;

(xii) the Account Debtor is a resident or citizen of and is located within the United States of America or Canada (unless the Required Lenders, in their sole discretion, include such Account and the Agent shall have first received, at its option, a written opinion in form and substance, and from counsel for the Borrower, satisfactory to the Required Lenders reflecting that all necessary steps have been taken to render the Agent's lien on such Account properly perfected and of first priority);

(xiii) The Account may not be due and owing to a Grantor which is located outside of the United States or which is incorporated or organized under the laws of a jurisdiction other than a state of the United States, other than Account Debtors located in Canada to the extent of (i) \$400,000 per Account and (ii) \$1,000,000 per all Accounts of all such Account Debtors (unless the Required Lenders determine, in their sole discretion, to include such Account or the Required Lenders to their reasonable satisfaction shall have determined that all necessary steps have been taken to render the Agent's lien on such Account properly perfected and of first priority);

(xiv) it is not an Account with respect to which the Account Debtor is the United States of America or any department, agency or instrumentality thereof, unless the Grantor assigns its right to payment of such Account to the Agent pursuant to, and in full compliance with, the Assignment of Claims Act of 1940, as amended;

(xv) it is not an Account with respect to which the Account Debtor is any state, municipality or any department, agency or instrumentality thereof, unless the Grantor assigns its rights to payment of such Account to Agent pursuant to, and in full compliance with all applicable laws, rules and regulations relating thereto;

(xvi) it is not an Account with respect to which the Account Debtor is located in a state which requires the Grantor, as a precondition to commencing or maintaining an action in the courts of that state, either to (A) receive a certificate of authority to do business and be in good standing in such state, or (B) file a notice of business activities report or similar report with such state's taxing authority, unless (x) the Grantor has taken one of the actions described in clauses (A) or (B), (y) the failure to take one of the actions described in either clause (A) or (B) may be cured retroactively by the Grantor at its election, or (z) the Grantor has proven, to Agent's satisfaction, that it is exempt from any such requirements under any such state's laws;

(xvii) it is an Account against which each Lender is legally permitted to make advances;

(xviii) The Account shall not be eligible to the extent of (i) any retainage held by the Account Debtor, and (ii) the amount by which the total balance due from any Account Debtor (or group of related Account Debtors) on invoiced Accounts exceeds twenty-five percent (25%) of the aggregate balance due under all invoiced Accounts then outstanding; and

(xix) Any amounts in the aggregate in excess of \$10,000,000 derived from Accounts created under a bonded, in whole or in part, contract shall be excluded.

An Account which is at any time an Eligible Account, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Account. Further, with respect to any Account, if the Agent at any time or times hereafter determines, in its sole and absolute discretion, that the prospect of payment or performance by the Account Debtor is or will be impaired, notwithstanding anything to the contrary contained above, such Account shall no longer be an Eligible Account and the Agent shall promptly thereafter notify the Borrower in writing of such classification.

"Consolidated EBITDA" means Consolidated Net Income plus, to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense, (ii) expense for taxes paid or accrued, (iii) depreciation, amortization, other non-cash charges, (iv) losses on sale of fixed assets, and (v) extraordinary losses incurred other than in the ordinary course of business, minus, to the extent included in Consolidated Net Income, (i) gains on sales of fixed assets, and (ii) extraordinary gains realized other than in the ordinary course of business, all calculated for the Borrower and its Subsidiaries on a consolidated basis for the then most recently ended four fiscal quarters. As to the Hake Group for the period through November 30, 2003, the EBITDA calculations shall be made in accordance with Schedule "14" attached hereto. In the future calculations of Consolidated EBITDA, the Lenders may, in their sole discretion, agree to consider historical EBITDA of acquired entities and may also, in their sole discretion, agree to consider methodologies and proposals from Borrower as to the calculation of historical EBITDA of acquired entities.

"Consolidated Funded Indebtedness" means at any time the aggregate dollar amount of Consolidated Indebtedness which has actually been funded and is outstanding at such time, whether or not such amount is due or payable at such time.

"Consolidated Indebtedness" means at any time the Indebtedness of the Borrower and its Subsidiaries calculated on a consolidated basis as of such time.

"Consolidated Interest Expense" means the interest expense of Borrower and its Subsidiaries.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries calculated on a consolidated basis for such period.

"Consolidated Net Worth" means at any time the consolidated stockholders' equity of the Borrower and its Subsidiaries calculated on a consolidated basis as of such time.

"Consolidated Rentals" means, with reference to any period, the Rentals of the Borrower and its Subsidiaries calculated on a consolidated basis for such period.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person

against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"Conversion/Continuation Notice" is defined in Section 2.9.

"Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Credit Extension" means the making of an Advance or the issuance of a Facility LC hereunder.

"Credit Extension Date" means the Borrowing Date for an Advance or the issuance date for a Facility LC.

"Default" means an event described in Article VII.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"Eurodollar Advance" means an Advance which, except as otherwise provided in Section 2.11, bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association LIBOR rate for deposits in U.S. dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, provided that, if no such British Bankers' Association LIBOR rate is available to the Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Agent to be the rate at which Bank One or one of its Affiliate banks offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of Bank One's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a Loan which, except as otherwise provided in Section 2.11, bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Margin.

"Excluded Taxes" means, in the case of each Lender or applicable Lending Installation and the Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Agent is incorporated or organized or (ii) the jurisdiction in which the Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located.

"Exhibit" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"Extension Request" is defined in Section 2.21.

"Facility LC" is defined in Section 2.19.1.

"Facility LC Application" is defined in Section 2.19.3.

"Facility LC Collateral Account" is defined in Section 2.19.11.

"Facility Termination Date" means March 31, 2006, or any later date as may be specified as the Facility Termination Date in accordance with Section 2.21 or any earlier date on which the Revolving Credit Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Tulsa time) on such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent in its sole discretion.

"Financial Contract" means (i) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics or (ii) any Rate Management Transaction.

"Floating Rate" means, for any day, a rate per annum equal to (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

"Floating Rate Advance" means an Advance which, except as otherwise provided in Section 2.11, bears interest at the Floating Rate.

"Floating Rate Loan" means a Loan which, except as otherwise provided in Section 2.11, bears interest at the Floating Rate.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Guarantor" means each of the Subsidiaries.

"Guaranty" means that certain Guaranty dated as of the date hereof executed by the Guarantor in favor of the Agent, for the ratable benefit of the Lenders, as it may be amended or modified and in effect from time to time, in form and content as set forth on Exhibit "F" hereto.

"Hake Group" means those entities described on Schedule "1" hereto.

"Hake Group Acquisition" means the acquisition of 100% of the outstanding common stock or equity interest of the Hake Group by Borrower or one of its Wholly-Owned Subsidiaries.

"Hake Group Acquisition Documents" means the instruments, documents and agreements evidencing the Hake Group Acquisition, including without limitation the Equity Interest Purchase Agreement dated March 7, 2003.

"Highest Lawful Rate" shall mean, on any day, the maximum nonusurious rate of interest permitted for that day by whichever of applicable federal or Oklahoma law permits the higher interest rate, stated as a rate per annum. On each day, if any, that the Oklahoma Finance Code, as amended establishes the Highest Lawful Rate, such rate shall be the "indicated (weekly) rate ceiling" for that day.

"Indebtedness" of a Person means such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than accounts payable or accrued liabilities arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) obligations of such Person to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (vi) Capitalized Lease Obligations, and (vii) any other obligation for borrowed money or other financial accommodation which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

"Interest Period" means, with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter, provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, provided, however, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Investment" of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

"LC Fee" is defined in Section 2.19.4.

"LC Issuer" means Bank One, Oklahoma, NA (or any subsidiary or affiliate of Bank One, Oklahoma, NA designated by Bank One, Oklahoma, NA) in its capacity as issuer of Facility LCs hereunder.

"LC Obligations" means, at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount under all Facility LCs outstanding at such time plus (ii) the aggregate unpaid amount at such time of all Reimbursement Obligations.

"LC Payment Date" is defined in Section 2.19.5.

"Lenders" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns. Unless otherwise specified, the term "Lenders" includes Bank One in its capacity as Swing Line Lender.

"Lending Installation" means, with respect to a Lender or the Agent, the office, branch, subsidiary or affiliate of such Lender or the Agent listed on the signature pages hereof or on a Schedule or otherwise selected by such Lender or the Agent pursuant to Section 2.17.

"Letter of Credit" of a Person means a letter of credit or similar instrument which is issued upon the application of such Person, or upon which such Person is an account party or for which such Person is in any way liable.

"Leverage Ratio" means, as of any date of calculation, the ratio described in Section 6.27.2.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"Loan" means a Term Loan, Revolving Loan or a Swing Line Loan.

"Loan Documents" means this Agreement, the Facility LC Applications, any Notes issued pursuant to Section 2.13, the Collateral Documents, and the Guaranty

"Material Adverse Effect" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), results of operations, or prospects of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower or any Subsidiary to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agent, the LC Issuer or the Lenders thereunder.

"Material Indebtedness" means Indebtedness in an outstanding principal amount of \$1,000,000 or more in the aggregate (or the equivalent thereof in any currency other than U.S. dollars).

"Material Indebtedness Agreement" means any agreement under which any Material Indebtedness was created or is governed or which provides for the incurrence of Indebtedness in an amount which would constitute Material Indebtedness (whether or not an amount of Indebtedness constituting Material Indebtedness is outstanding thereunder).

"Modify" and "Modification" are defined in Section 2.19.1.

"Moody's" means Moody's Investors Service, Inc.

"Mortgaged Properties" means the properties described on Schedule "2" attached hereto.

"Mortgaged Properties Documents" means as to each of the Mortgaged Properties:

(i) Appraisal. An appraisal prepared by a public appraiser acceptable to Agent.

(ii) Environmental Audit. An audit performed by an inspecting entity or person reasonably acceptable to Borrower and Agent verifying that no hazardous wastes, toxic substances, asbestos insulation and/or UREA formaldehyde insulation (as those terms are defined by any Governmental Authority) has been or are presently stored, treated, disposed of or incorporated into, on or around the Mortgaged Property, and no underground tanks exist on the Mortgaged Property. Borrower shall pay all costs and expenses relating to the Environmental Audit. Any exceptions, conditions or disclaimers set forth in the Environmental Audit must be reasonably acceptable to Agent.

(iii) Environmental Reports. Written information relating to environmental aspects of the Mortgaged Property and adjacent properties including, without limitation, soil tests, hazardous waste, toxic substances, asbestos insulation, UREA formaldehyde insulation, underground storage tanks, compliance with health and safety requirements (all applicable statutes and regulations), any pending or threatened action, proceeding or allegation of violations of environmental health or safety statutes, ordinances or regulations, and environmental audits.

(iv) Insurance. Borrower will deliver to Agent, and maintain until the Loan is paid, original policies of insurance (or certificates acceptable to Agent), premiums prepaid, with insurance companies satisfactory to Agent, in such amounts and against such risks as shall be required by Agent including, but not limited to, the following:

(a) All risk insurance, extended coverage insurance against loss or damage by fire, lightning, windstorm, hail, explosion, riot, vandalism, malicious mischief, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to 100% of the full replacement value of the improvements, which policy shall not include a co-insurance clause with a higher percentage than 80%, but shall include stipulated value endorsement showing compliance with any co-insurance clause included in the policy. Such insurance policy shall name Agent and any party designated by Agent as mortgagee and loss payee as it and their respective interests may appear;

(b) Appropriate workmen's compensation or other insurance against liability arising from claims of workmen in respect of and during the period of any work on or about the Mortgaged Property and/or improvements;

(c) Public liability and property damage insurance applicable to the improvements and Mortgaged Property in amounts approved from time to time by Agent, which insurance shall provide coverage to Agent as an additional insured; and

(d) Flood and mudslide insurance in an amount equal to the lesser of: (i) the appraised value of the Mortgaged Property; or (ii) the maximum limit of coverage made available with respect to the Mortgaged Property under the Federal Flood Insurance Program; provided that such flood and mudslide insurance shall not be required if Borrower shall provide Lender with evidence satisfactory to Agent, in its sole discretion, that the Mortgaged Property is not situated within an area identified by the Secretary of Housing and Urban Development or any other Governmental Authority as an area having special flood or mudslide hazards, and that no flood insurance is required on the Mortgaged Property by any Governmental Authority.

(v) Survey. An ALTA survey of the Mortgaged Property prepared by and certified to Agent by a licensed civil engineer or surveyor satisfactory to Agent, which

survey shall: (a) include a legal description identical to the legal description identified in the Title Insurance Binder; (b) locate the perimeter of the Mortgaged Property; (c) locate any improvements (e.g., water, gas, electric and sewer lines, walks, alleys, drives); (d) locate and identify (by reference to book and page number and/or instrument of record) all easements, rights of way, setback lines and other matters affecting the Mortgaged Property and set forth in the Title Insurance Binder; and (e) showing other physical matters affecting the title and use of the Mortgaged Property required by the Agent and the title insurance company issuing the Title Insurance Binder and Title Insurance Policy.

(vi) Title Insurance Binder. An original mortgagee's title guaranty binder or commitment in favor of Agent issued by a title insurer and agent satisfactory to Agent, committing to issue an ALTA mortgagee's title guaranty policy insuring the Mortgaged Properties Security Instrument to be a first and prior lien on the Mortgaged Property and improvements, containing only such exceptions which are acceptable to Agent, and subject to the following additional requirements: (a) the insured amount must equal the Title Insurance Amount; (b) the legal description must be identical with the description of the property identified in the Survey; (c) the legal description should show as separately insured parcels any off-premises private easements that benefit the Mortgaged Property; (d) list and identify by reference to volume and page number all easements, rights of way and other instruments or matters affecting title to the Mortgaged Property or any off-premises easements that benefit the Mortgaged Property; (e) legible copies of all instruments affecting title to the Mortgaged Property must be submitted with the Title Insurance Binder; and (f) the "standard" exceptions regarding (i) matters which a survey would disclose, (ii) liens, (iii) possessory interests, and (iv) all requirements must be deleted prior to closing.

(vii) Title Insurance Policy. An original fully paid ALTA mortgage title insurance policy issued pursuant to the Title Insurance Binder in the Title Insurance Amount and insuring the Mortgaged Properties Security Instruments to be a first and prior lien on Borrower's fee simple ownership interests (or leasehold, as applicable) in the Mortgaged Property and improvements, with no exceptions from coverage as to mechanics' and materialmen's liens, matters shown by a current survey, rights of parties in possession, or such other exceptions as Lender shall approve.

"Mortgaged Properties Security Instruments" means the mortgages or deeds of trust, as applicable, necessary to create a first and prior lien in favor of Agent with respect to the Mortgaged Properties, in form and content as set forth on Exhibit "J" attached hereto.

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"Net Market-to-Market Exposure" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination

(assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

"Newco" means HAKE ACQUISITION CORP., a Delaware corporation, a Wholly-Owned Subsidiary of Borrower established to acquire the Hake Group.

"Non-U.S. Lender" is defined in Section 3.5(iv).

"Note" is defined in Section 2.13.

"Obligations" means, without duplication, all unpaid principal of and accrued and unpaid interest on the Loans, all Reimbursement Obligations, all Rate Management Obligations, Net Market-to-Market Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Agent, the LC Issuer or any indemnified party arising under the Loan Documents.

"Off-Balance Sheet Liability" of a Person means (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability under any Sale and Leaseback Transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, but excluding from this clause (iv) Operating Leases.

"Operating Lease" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

"Operating Lease Obligations" means, as at any date of determination, the amount obtained by aggregating the present values, determined in the case of each particular Operating Lease by applying a discount rate (which discount rate shall equal the discount rate which would be applied under Agreement Accounting Principles if such Operating Lease were a Capitalized Lease) from the date on which each fixed lease payment is due under such Operating Lease to such date of determination, of all fixed lease payments due under all Operating Leases of the Borrower and its Subsidiaries.

"Other Taxes" is defined in Section 3.5(ii).

"Outstanding Credit Exposure" means, as to any Lender at any time, the sum of (i) the aggregate principal amount of its Loans outstanding at such time, plus (ii) an amount equal to its Pro Rata Share on an individual basis of the LC Obligations and the aggregate principal amount of Swing Line Loans at such time.

"Participants" is defined in Section 12.2.1.

"Payment Date" means the last day of each month.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"Pledged Shares" means the original stock-certificates, with executed stock powers attached thereto, evidencing all of the outstanding shares of capital stock of each of the Subsidiaries, which are pledged by Borrower to Agent pursuant to the Borrower's Security Agreement.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by Bank One, Oklahoma, NA or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Pro Rata Share" means, with respect to a Lender, a portion equal to a fraction the numerator of which is such Lender's Commitment and the denominator of which is the Aggregate Commitment.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Purchasers" is defined in Section 12.3.1.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Borrower or any Wholly-Owned Subsidiary also a grantor under a Security Agreement pursuant to which the Borrower or any such Subsidiary may sell, convey or otherwise transfer to a newly-formed Subsidiary or other special-purpose entity, or any other Person, any accounts or notes receivable and rights related thereto, provided that all of the terms and conditions of such transaction or series of transactions, including without limitation the amount and type of any recourse to the Borrower or any such Subsidiary with respect to the assets transferred, are acceptable to the Agent and the Required Lenders.

"Rate Management Obligations" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all

cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"Rate Management Transaction " means any transaction (including an agreement with respect thereto) now existing or hereafter entered by the Borrower which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Reimbursement Obligations" means, at any time, the aggregate of all obligations of the Borrower then outstanding under Section 2.19 to reimburse the LC Issuer for amounts paid by the LC Issuer in respect of any one or more drawings under Facility LCs.

"Rentals" of a Person means the aggregate fixed amounts payable by such Person under any Operating Lease.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Reports" is defined in Section 9.6.

"Required Lenders" means Lenders in the aggregate having at least sixty-six and two-thirds percent (66 2/3%) of the Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding at least sixty-six and two-thirds percent (66 2/3%) of the Aggregate Outstanding Credit Exposure.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"Revolving Loan" means, with respect to a Lender, such Lender's loan made pursuant to its commitment to lend set forth in Section 2.1.1 (or any conversion or continuation thereof).

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"Sale and Leaseback Transaction" means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

"Schedule" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Security Agreement" means, separately and collectively, a Security Agreement executed by Borrower and each Subsidiary with respect to their respective accounts, inventory, machinery, equipment and proceeds, with each security agreement in form and content as set forth on Exhibits "G" hereto.

"Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.

"Subordinated Indebtedness" of a Person means any Indebtedness of such Person the payment of which is subordinated to payment of the Obligations to the written satisfaction of the Required Lenders.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower. For purposes of the representations and warranties made herein, each reference to a "Subsidiary" of the Borrower shall include Hake Group and its Subsidiaries.

"Substantial Portion" means, with respect to the Property of the Borrower and its Subsidiaries, Property which represents more than five percent (5%) of the consolidated assets of the Borrower and its Subsidiaries or property which is responsible for more than ten percent (10%) of the consolidated net income of the Borrower and its Subsidiaries, in each case, as would be shown in the consolidated financial statements of the Borrower and its Subsidiaries as

at the beginning of the twelve-month period ending with the month in which such determination is made (or if financial statements have not been delivered hereunder for that month which begins the twelve-month period, then the financial statements delivered hereunder for the quarter ending immediately prior to that month).

"Swing Line Borrowing Notice" is defined in Section 2.20.2.

"Swing Line Commitment" means the obligation of the Swing Line Lender to make Swing Line Loans up to a maximum principal amount of \$5,000,000 at any one time outstanding.

"Swing Line Lender" means Bank One or such other Lender which may succeed to its rights and obligations as Swing Line Lender pursuant to the terms of this Agreement.

"Swing Line Loan" means a Loan made available to the Borrower by the Swing Line Lender pursuant to Section 2.20.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes and Other Taxes.

"Term Loan" means the Loans made by each of the Lenders based upon their respective Term Loan Commitment, advanced in accordance with the provisions of Section 2.1.2, below.

"Term Loan Commitment" means, as to each Lender, the amount designated as opposite its signature below.

"Term Loan Maturity Date" means March 31, 2008.

"Title Insurance Amount" means as to each of the Mortgaged Properties, the amount of insurance under each Title Insurance Binder and Title Insurance Policy equal to 100% of the Agent approved appraisal amount, as described on Schedule "3" attached hereto.

"Transferee" is defined in Section 12.4.

"Type" means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurodollar Advance and with respect to any Loan, its nature as a Floating Rate Loan or a Eurodollar Loan.

"UCC-1 Financing Statement" means, separately and collectively, a UCC-1 Financing Statement from each grantor of a Security Agreement, in form and content as set forth on Exhibit "I" hereto.

"UCC Lien Search" means, separately and collectively, a UCC Lien Search as to each grantor of a Security Agreement, issued as to jurisdiction in which the grantor was organized and

such other jurisdictions as Agent may require, including without limitation the jurisdictions described on Schedule "4" hereto.

"Unfunded Liabilities" means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using PBGC actuarial assumptions for single employer plan terminations.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"Vehicles" means the vehicles with a book value equal to or greater than \$15,000 owned by Borrower or any grantor of a Security Agreement, as described on Schedule "5" hereto, including without limitation the location and vehicle identification number for each vehicle.

"Vehicle Titles" means the original certificate of title for each of the Vehicles for which the Agent shall file a lien entry form ("Lien Entry Forms"), which Vehicles are identified on Schedule "6" hereto.

"Wholly-Owned Subsidiary" of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, 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, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

## ARTICLE II THE CREDITS

### 2.1. Commitment.

2.1.1 Revolving Credit Commitment. The "Revolving Credit Commitment" means, for each Lender, the obligation of such Lender to make Revolving Loans to, and participate in Facility LCs issued upon the application of, the Borrower in an aggregate amount not exceeding the amount set forth opposite its signature below or as set forth in any Notice of Assignment relating to any assignment that has become effective pursuant to Section 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof. From and including the date hereof and prior to the Facility Termination Date, the Lenders agree to make Revolving Loans to the Borrower or participate in Facility LCs in accordance with the provisions of Section 2.19 (not to exceed \$25,000,000 in the aggregate) from time to time, in amounts not to exceed in the

aggregate at any one time outstanding the lesser of (i) the Borrowing Base, (ii) \$55,000,000, or (iii) the Aggregate Commitments to make Revolving Loans. Not later than 11:00 a.m. Tulsa, Oklahoma time on the date specified for each borrowing hereunder, each Lender shall make available the amount of the Loan to be made by it on such date to the Agent, to an account which the Agent shall specify, in immediately available funds, for the account of the Borrower. The amounts so received by the Agent shall, subject to the terms and conditions of this Agreement, be made available to the Borrower by depositing the same, in immediately available funds, in an account of the Borrower, designated by the Borrower from time to time, written notice of the location of which shall be given to the Agent together with the notice made pursuant to Section 2.8.

2.1.2 Term Loan Facility. On the Closing Date, each Lender agrees to make a Term Loan to Borrower in an amount not to exceed the Term Loan Commitment set forth opposite its signature below, the aggregate sum of which shall not exceed \$32,500,000, for the purpose of enabling Borrower to complete the Hake Group Acquisition through its wholly owned subsidiary, NEWCO.

2.1.3 Swing Line Facility. From and including the Closing Date, and prior to the Facility Termination Date, Bank One agrees to make Swing Line Loans to Borrower in accordance with the provisions of Section 2.20 up to a maximum aggregate principal amount of \$5,000,000 at any one time outstanding. Any Swing Line Loans shall reduce the Revolving Credit Commitment of Bank One (ratably as to any participant therein) by an equal amount.

2.2. Required Payments; Termination. The Aggregate Outstanding Credit Exposure and all other unpaid Obligations other than the Term Loan shall be paid in full by the Borrower on the Facility Termination Date. The Term Loan shall be payable as follows: (i) interest shall be payable on the Interest Payment Dates, and (ii) principal shall be payable in nineteen (19) consecutive quarterly installments of \$1,160,714.29, on the last day of each fiscal quarter ending May, August, November and February, commencing with the fiscal quarter ending August 31, 2003, and the last installment due on the Term Loan Maturity Date equal to the remaining balance.

2.3. Ratable Loans. Each Advance hereunder (other than any Swing Line Loan) shall consist of Revolving Loans made from the several Lenders ratably in proportion to the ratio that their respective Commitments bear to the Aggregate Commitment.

2.4. Types of Advances. The Advances may be Floating Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.8 and 2.10, or Swing Line Loans selected by the Borrower in accordance with Section 2.20.

2.5. Commitment Fee; Reductions in Aggregate Commitment. The Borrower agrees to pay to the Agent for the account of each Lender a commitment fee at a per annum rate equal to the Applicable Fee Rate on the daily unused portion of such Lender's Revolving Loan Commitment from the date hereof to and including the Facility Termination Date, payable on each Payment Date hereafter and on the Facility Termination Date. Swing Line Loans shall

count as usage as to the Commitment of the Swing Line Lender, and other Lenders Participating therein, for the purpose of calculating the commitment fee due hereunder. The Borrower may permanently reduce the Aggregate Commitment in whole, or in part ratably among the Lenders in integral multiples of \$5,000,000, upon at least three (3) Business Days' written notice to the Agent, which notice shall specify the amount of any such reduction, provided, however, that the amount of the Aggregate Commitment may not be reduced below the aggregate principal amount of the outstanding Advances. All accrued commitment fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Loans hereunder.

2.6. Minimum Amount of Each Advance. Each Eurodollar Advance shall be in the minimum amount of \$500,000 (and in multiples of \$50,000 if in excess thereof), and each Floating Rate Advance (other than an Advance to repay Swing Line Loans) shall be in the minimum amount of \$100,000 (and in multiples of \$100,000 if in excess thereof), provided, however, that any Floating Rate Advance may be in the amount of the Available Revolving Credit Commitment.

## 2.7. Prepayments.

2.7.1. Optional Prepayments. Loans bearing interest based on the ABR (other than Swing Line Loans) may be prepaid at any time without penalty or premium on one Business Day's prior written notice in a minimum amount of \$500,000. Loans bearing interest based on the Eurodollar Rate (other than Swing Line Loans) may be prepaid, subject to funding indemnification but without penalty or premium on at least three Business Days' prior written notice in a minimum amount of \$3,000,000 or any integral multiple of \$1,000,000 in excess thereof.

2.7.2. Mandatory Prepayments. In addition to any scheduled installments due on the Loans, the following mandatory prepayments shall be made:

(i) Sale of Assets: Upon the sale, transfer or other disposition of any asset of the Borrower or any of its Subsidiaries (other than the sale of inventory in the ordinary course of business and the sale of up to \$250,000 of other assets per year) which is permitted by the terms of the Loan Documents, the Borrower shall make a mandatory prepayment of the Term Loans in an amount equal to 100% of the net proceeds realized from such sale, transfer or other disposition.

(ii) Sale of Stock: Upon the sale of any common stock, preferred stock, warrant or other equity (other than the exercise of stock options by employees, officers and directors), or upon the receipt of proceeds from the issuance of any Subordinated Indebtedness, the Borrower shall make a mandatory prepayment of the Term Loans in an amount equal to 100% of the net proceeds so realized or so received from such sale or issuance.

(iii) Excess Cash Flow: On or before each date on which the Borrower's annual audited financial statements are required to be delivered pursuant to this Agreement, commencing with the fiscal year ending May 31,

2004, the Borrower shall make a mandatory prepayment of the Term Loan in an amount equal to 50% of the Excess Cash Flow, if positive, for the most recently ended fiscal year. For purposes hereof, the term Excess Cash Flow, as to the applicable period, means Consolidated EBITDA, less (i) Consolidated Interest Expense, (ii) taxes paid, (iii) principal payments on the Term Loan, (iv) Capital Expenditures, and (v) dividends and distributions permitted in this Agreement.

(iv) Borrowing Base Deficiency. If the aggregate principal amount of the outstanding Revolving Loans and LC Obligations as of any date exceeds the Borrowing Base then in effect, the Borrower shall be required, immediately upon receipt of written notice from Agent, to make a mandatory principal payment on Revolving Loans necessary to establish compliance.

2.7.3. Application of Mandatory Prepayments. All mandatory prepayments (other than under 2.7.2.(iv)) shall first be applied to the next principal installment due under the Term Facility, then to the principal installments of the Term Facility in the inverse order of maturity.

2.8. Method of Selecting Types and Interest Periods for New Advances. The Borrower shall select the Type of Advance and, in the case of each Eurodollar Advance, the Interest Period applicable thereto from time to time. The Borrower shall give the Agent irrevocable notice (a "Borrowing Notice") not later than 10:00 a.m. (Tulsa time) at least one Business Day before the Borrowing Date of each Floating Rate Advance (other than a Swing Line Loan) and two (2) Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

- (i) the Borrowing Date, which shall be a Business Day, of such Advance,
- (ii) the aggregate amount of such Advance,
- (iii) the Type of Advance selected, and
- (iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than 11:00 a.m. (Tulsa time) on each Borrowing Date, each Lender shall make available its Loan or Loans in funds immediately available in Tulsa to the Agent at its address specified pursuant to Article XIII. The Agent will make the funds so received from the Lenders available to the Borrower at the Agent's aforesaid address.

2.9. Conversion and Continuation of Outstanding Advances. Floating Rate Advances (other than Swing Line Loans) shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances pursuant to this Section 2.9 or are repaid in accordance with Section 2.7. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless

(x) such Eurodollar Advance is or was repaid in accordance with Section 2.7 or (y) the Borrower shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Eurodollar Advance continue as a Eurodollar Advance for the same or another Interest Period. Subject to the terms of Section 2.6, the Borrower may elect from time to time to convert all or any part of a Floating Rate Advance (other than Swing Line Loans) into a Eurodollar Advance. The Borrower shall give the Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Floating Rate Advance into a Eurodollar Advance or continuation of a Eurodollar Advance not later than 10:00 a.m. (Tulsa time) at least two (2) Business Days prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued, and

(iii) the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

2.10. Changes in Interest Rate, etc. Each Floating Rate Advance (other than a Swing Line Loan) shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Eurodollar Advance into a Floating Rate Advance pursuant to Section 2.9, to but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to Section 2.9 hereof, at a rate per annum equal to the Floating Rate for such day. Each Swing Line Loan shall bear interest on the outstanding principal amount thereof, for each day from and including the day such Swing Line Loan is made to but excluding the date it is paid, at a rate per annum equal to the Floating Rate for such day, plus the Applicable Margin set forth on the Pricing Schedule. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined by the Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under Sections 2.8 and 2.9 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date.

2.11. Rates Applicable After Default. Notwithstanding anything to the contrary contained in Section 2.8, 2.9 or 2.10, during the continuance of a Default or Unmatured Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that no Advance may be made as, converted into or continued as a Eurodollar Advance. During the continuance of a Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates),

declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum, (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum and (iii) the LC Fee shall be increased by 2% per annum, provided that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above and the increase in the LC Fee set forth in clause (iii) above shall be applicable to all Credit Extensions without any election or action on the part of the Agent or any Lender.

2.12. Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Agent at the Agent's address specified pursuant to Article XIII, or at any other Lending Installation of the Agent specified in writing by the Agent to the Borrower, by noon (local time) on the date when due and shall (except in the case of Reimbursement Obligations for which the LC Issuer has not been fully indemnified by the Lenders, or as otherwise specifically required hereunder and except with respect to repayments of Swing Line Loans) be applied ratably by the Agent among the Lenders. Each payment delivered to the Agent for the account of any Lender shall be delivered promptly by the Agent to such Lender in the same type of funds that the Agent received at its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by the Agent from such Lender. The Agent is hereby authorized to charge the account of the Borrower maintained with Bank One for each payment of principal, interest, Reimbursement Obligations and fees as it becomes due hereunder. Each reference to the Agent in this Section 2.12 shall also be deemed to refer, and shall apply equally, to the LC Issuer, in the case of payments required to be made by the Borrower to the LC Issuer pursuant to Section 2.19.6.

2.13. Noteless Agreement; Evidence of Indebtedness. (i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, the Type thereof and the Interest Period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (c) the original stated amount of each Facility LC and the amount of LC Obligations outstanding at any time, and (d) the amount of any sum received by the Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries maintained in the accounts maintained pursuant to paragraphs (i) and (ii) above shall be prima facie evidence of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by a promissory note, substantially in the form of Exhibits "E-1", "E-2", or "E-3" (each a "Note"). In such event, the

Borrower shall prepare, execute and deliver to such Lender such Note or Notes payable to the order of such Lender. Thereafter, the Loans evidenced by each such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the order of the payee named therein, except to the extent that any such Lender subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (i) and (ii) above.

2.14. Telephonic Notices. The Borrower hereby authorizes the Lenders and the Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Agent or any Lender in good faith believes to be acting on behalf of the Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices and Conversion/Continuation Notices to be given telephonically. The Borrower agrees to deliver promptly to the Agent a written confirmation, if such confirmation is requested by the Agent or any Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Agent and the Lenders, the records of the Agent and the Lenders shall govern absent manifest error.

2.15. Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof, on any date on which the Floating Rate Advance is prepaid, whether due to acceleration or otherwise, and at maturity. Interest accrued on that portion of the outstanding principal amount of any Floating Rate Advance converted into a Eurodollar Advance on a day other than a Payment Date shall be payable on the date of conversion. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest, commitment fees and LC Fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to noon (local time) at the place of payment. If any payment of principal or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

2.16. Notification of Advances, Interest Rates, Prepayments and Commitment Reductions. Promptly after receipt thereof, the Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Swing Line Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. Promptly after notice from the LC Issuer, the Agent will notify each Lender of the contents of each request for issuance of a Facility LC hereunder. The Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.17. Lending Installations. Each Lender may book its Loans and its participation in any LC Obligations and the LC Issuer may book the Facility LCs at any Lending Installation selected by such Lender or the LC Issuer, as the case may be, and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans, Facility LCs, participations in LC Obligations and any Notes issued hereunder shall be deemed held by each Lender or the LC Issuer, as the case may be, for the benefit of any such Lending Installation. Each Lender and the LC Issuer may, by written notice to the Agent and the Borrower in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it or Facility LCs will be issued by it and for whose account Loan payments or payments with respect to Facility LCs are to be made.

2.18. Non-Receipt of Funds by the Agent. Unless the Borrower or a Lender, as the case may be, notifies the Agent prior to the date on which it is scheduled to make payment to the Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Agent for the account of the Lenders, that it does not intend to make such payment, the Agent may assume that such payment has been made. The Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Agent, the recipient of such payment shall, on demand by the Agent, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day for the first three days and, thereafter, the interest rate applicable to the relevant Loan or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

#### 2.19. Facility LCs.

2.19.1. Issuance. The LC Issuer hereby agrees, on the terms and conditions set forth in this Agreement, to issue standby and commercial letters of credit (each, a "Facility LC") and to renew, extend, increase, decrease or otherwise modify each Facility LC ("Modify," and each such action a "Modification"), from time to time from and including the date of this Agreement and prior to the Facility Termination Date upon the request of the Borrower; provided that immediately after each such Facility LC is issued or Modified, (i) the aggregate amount of the outstanding LC Obligations shall not exceed \$25,000,000 and (ii) the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment. No Facility LC shall have an expiry date later than the earlier of (x) the fifth Business Day prior to the Facility Termination Date and (y) one year after its issuance, provided that Facility LC with a one (1) year expiration date may include renewals for additional one year periods, so long as it does not extend beyond (x).

2.19.2. Participations. Upon the issuance or Modification by the LC Issuer of a Facility LC in accordance with this Section 2.19, the LC Issuer shall be deemed, without further action by any party hereto, to

have unconditionally and irrevocably sold to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the LC Issuer, a participation in such Facility LC (and each Modification thereof) and the related LC Obligations in proportion to its Pro Rata Share.

2.19.3. Notice. Subject to Section 2.19.1, the Borrower shall give the LC Issuer notice prior to 10:00 a.m. (Tulsa time) at least five Business Days prior to the proposed date of issuance or Modification of each Facility LC, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Facility LC, and describing the proposed terms of such Facility LC and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the LC Issuer shall promptly notify the Agent, and the Agent shall promptly notify each Lender, of the contents thereof and of the amount of such Lender's participation in such proposed Facility LC. The issuance or Modification by the LC Issuer of any Facility LC shall, in addition to the conditions precedent set forth in Article IV (the satisfaction of which the LC Issuer shall have no duty to ascertain), be subject to the conditions precedent that such Facility LC shall be satisfactory to the LC Issuer and that the Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Facility LC as the LC Issuer shall have reasonably requested (each, a "Facility LC Application"). In the event of any conflict between the terms of this Agreement and the terms of any Facility LC Application, the terms of this Agreement shall control.

2.19.4. LC Fees. The Borrower shall pay to the Agent, for the account of the Lenders ratably in accordance with their respective Pro Rata Shares, with respect to each Facility LC, a letter of credit fee at a per annum rate equal to the applicable percentage set forth on the Pricing Schedule on the average daily undrawn stated amount under such standby Facility LC, such fee to be payable in arrears on each Payment Date, (such fee described as the "LC Fee". The Borrower shall also pay to the LC Issuer for its own account (x) at the time of issuance of each Facility LC, a fronting fee equal to 0.125%, and (y) documentary and processing charges in connection with the issuance or Modification of and draws under Facility LCs in accordance with the LC Issuer's standard schedule for such charges as in effect from time to time.

2.19.5. Administration; Reimbursement by Lenders. Upon receipt from the beneficiary of any Facility LC of any demand for payment under such Facility LC, the LC Issuer shall notify the Agent and the Agent shall promptly notify the Borrower and each other Lender as to the amount to be paid by the LC Issuer as a result of such demand and the proposed payment date (the "LC Payment Date"). The responsibility of the LC Issuer to the Borrower and each Lender shall be only to determine that the documents (including each demand for payment) delivered under each Facility LC in connection with such presentment shall be in conformity in all material respects with such Facility LC. The LC Issuer shall endeavor to exercise the same care in the issuance and administration of the Facility LCs as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by the LC Issuer, each Lender shall be unconditionally and irrevocably liable without regard to the occurrence of any Default or any condition

precedent whatsoever, to reimburse the LC Issuer on demand for (i) such Lender's Pro Rata Share of the amount of each payment made by the LC Issuer under each Facility LC to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.19.6 below, plus (ii) interest on the foregoing amount to be reimbursed by such Lender, for each day from the date of the LC Issuer's demand for such reimbursement (or, if such demand is made after 11:00 a.m. (Tulsa time) on such date, from the next succeeding Business Day) to the date on which such Lender pays the amount to be reimbursed by it, at a rate of interest per annum equal to the Federal Funds Effective Rate for the first three days and, thereafter, at a rate of interest equal to the rate applicable to Floating Rate Advances.

2.19.6. Reimbursement by Borrower. The Borrower shall be irrevocably and unconditionally obligated to reimburse the LC Issuer on or before the applicable LC Payment Date for any amounts to be paid by the LC Issuer upon any drawing under any Facility LC, without presentment, demand, protest or other formalities of any kind; provided that neither the Borrower nor any Lender shall hereby be precluded from asserting any claim for direct (but not consequential) damages suffered by the Borrower or such Lender to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC issued by it complied with the terms of such Facility LC or (ii) the LC Issuer's failure to pay under any Facility LC issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. All such amounts paid by the LC Issuer and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to (x) the rate applicable to Floating Rate Advances for such day if such day falls on or before the applicable LC Payment Date and (y) the sum of 2% plus the rate applicable to Floating Rate Advances for such day if such day falls after such LC Payment Date. The LC Issuer will pay to each Lender ratably in accordance with its Pro Rata Share all amounts received by it from the Borrower for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Facility LC issued by the LC Issuer, but only to the extent such Lender has made payment to the LC Issuer in respect of such Facility LC pursuant to Section 2.19.5. Subject to the terms and conditions of this Agreement (including without limitation the submission of a Borrowing Notice in compliance with Section 2.8 and the satisfaction of the applicable conditions precedent set forth in Article IV), the Borrower may request an Advance hereunder for the purpose of satisfying any Reimbursement Obligation.

2.19.7. Obligations Absolute. The Borrower's obligations under this Section 2.19 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against the LC Issuer, any Lender or any beneficiary of a Facility LC. The Borrower further agrees with the LC Issuer and the Lenders that the LC Issuer and the Lenders shall not be responsible for, and the Borrower's Reimbursement Obligation in respect of any Facility LC shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among

the Borrower, any of its Affiliates, the beneficiary of any Facility LC or any financing institution or other party to whom any Facility LC may be transferred or any claims or defenses whatsoever of the Borrower or of any of its Affiliates against the beneficiary of any Facility LC or any such transferee. The LC Issuer shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Facility LC. The Borrower agrees that any action taken or omitted by the LC Issuer or any Lender under or in connection with each Facility LC and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon the Borrower and shall not put the LC Issuer or any Lender under any liability to the Borrower. Nothing in this Section 2.19.7 is intended to limit the right of the Borrower to make a claim against the LC Issuer for damages as contemplated by the proviso to the first sentence of Section 2.19.6.

2.19.8. Actions of LC Issuer. The LC Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Facility LC, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, teletype, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the LC Issuer. The LC Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Required Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.19, the LC Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and any future holders of a participation in any Facility LC.

2.19.9. Indemnification. The Borrower hereby agrees to indemnify and hold harmless each Lender, the LC Issuer and the Agent, and their respective directors, officers, agents and employees from and against any and all claims and damages, losses, liabilities, costs or expenses which such Lender, the LC Issuer or the Agent may incur (or which may be claimed against such Lender, the LC Issuer or the Agent by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Facility LC or any actual or proposed use of any Facility LC, including, without limitation, any claims, damages, losses, liabilities, costs or expenses which the LC Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to the LC Issuer hereunder (but nothing herein contained shall affect any rights the Borrower may have against any defaulting Lender) or (ii) by reason of or on account of the LC Issuer issuing any Facility LC which specifies that the term "Beneficiary" included therein includes any successor by operation of law of the named Beneficiary, but which Facility LC does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to the LC Issuer, evidencing the appointment

of such successor Beneficiary; provided that the Borrower shall not be required to indemnify any Lender, the LC Issuer or the Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (y) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. Nothing in this Section 2.19.9 is intended to limit the obligations of the Borrower under any other provision of this Agreement.

2.19.10. Lenders' Indemnification. Each Lender shall, ratably in accordance with its Pro Rata Share, indemnify the LC Issuer, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of the Facility LC) that such indemnitees may suffer or incur in connection with this Section 2.19 or any action taken or omitted by such indemnitees hereunder.

2.19.11. Facility LC Collateral Account. The Borrower agrees that it will, upon the request of the Agent or the Required Lenders and until the final expiration date of any Facility LC and thereafter as long as any amount is payable to the LC Issuer or the Lenders in respect of any Facility LC, maintain a special collateral account pursuant to arrangements satisfactory to the Agent (the "Facility LC Collateral Account") at the Agent's office at the address specified pursuant to Article XIII, in the name of such Borrower but under the sole dominion and control of the Agent, for the benefit of the Lenders and in which such Borrower shall have no interest other than as set forth in Section 8.1. The Borrower hereby pledges, assigns and grants to the Agent, on behalf of and for the ratable benefit of the Lenders and the LC Issuer, a security interest in all of the Borrower's right, title and interest in and to all funds which may from time to time be on deposit in the Facility LC Collateral Account to secure the prompt and complete payment and performance of the Obligations. The Agent will invest any funds on deposit from time to time in the Facility LC Collateral Account in certificates of deposit of Bank One having a maturity not exceeding 30 days. Nothing in this Section 2.19.11 shall either obligate the Agent to require the Borrower to deposit any funds in the Facility LC Collateral Account or limit the right of the Agent to release any funds held in the Facility LC Collateral Account in each case other than as required by Section 8.1.

2.19.12. Rights as a Lender. In its capacity as a Lender, the LC Issuer shall have the same rights and obligations as any other Lender.

## 2.20. Swing Line Loans.

2.20.1. Amount of Swing Line Loans. Upon the satisfaction of the conditions precedent set forth in Section 4.2 and, if such Swing Line Loan is to be made on the date

of the initial Advance hereunder, the satisfaction of the conditions precedent set forth in Section 4.1 as well, from and including the date of this Agreement and prior to the Facility Termination Date, the Swing Line Lender agrees, on the terms and conditions set forth in this Agreement, to make Swing Line Loans to the Borrower from time to time in an aggregate principal amount not to exceed the Swing Line Commitment, provided that the Aggregate Outstanding Credit Exposure shall not at any time exceed the Aggregate Commitment, and provided further that at no time shall the sum of (i) the Swing Line Lender's Pro Rata Share of the Swing Line Loans, plus (ii) the outstanding Revolving Loans made by the Swing Line Lender pursuant to Section 2.1, exceed the Swing Line Lender's Commitment at such time. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Swing Line Loans at any time prior to the Facility Termination Date.

2.20.2. Borrowing Notice. The Borrower shall deliver to the Agent and the Swing Line Lender irrevocable notice (a "Swing Line Borrowing Notice") not later than noon (Tulsa time) on the Borrowing Date of each Swing Line Loan, specifying (i) the applicable Borrowing Date (which date shall be a Business Day), and (ii) the aggregate amount of the requested Swing Line Loan which shall be an amount not less than \$100,000. The Swing Line Loans shall bear interest at the Floating Rate.

2.20.3. Making of Swing Line Loans. Promptly after receipt of a Swing Line Borrowing Notice, the Agent shall notify each Lender by fax, or other similar form of transmission, of the requested Swing Line Loan. Not later than 2:00 p.m. (Tulsa time) on the applicable Borrowing Date, the Swing Line Lender shall make available the Swing Line Loan, in funds immediately available in Tulsa, to the Agent at its address specified pursuant to Article XIII. The Agent will promptly make the funds so received from the Swing Line Lender available to the Borrower on the Borrowing Date at the Agent's aforesaid address.

2.20.4. Repayment of Swing Line Loans. Each Swing Line Loan shall be paid in full by the Borrower on or before the fifth (5th) Business Day after the Borrowing Date for such Swing Line Loan. In addition, the Swing Line Lender (i) may at any time in its sole discretion with respect to any outstanding Swing Line Loan, or (ii) shall on the fifth (5th) Business Day after the Borrowing Date of any Swing Line Loan, require each Lender (including the Swing Line Lender) to make a Revolving Loan in the amount of such Lender's Pro Rata Share of such Swing Line Loan (including, without limitation, any interest accrued and unpaid thereon), for the purpose of repaying such Swing Line Loan. Not later than noon (Tulsa time) on the date of any notice received pursuant to this Section 2.20.4, each Lender shall make available its required Revolving Loan, in funds immediately available in Tulsa to the Agent at its address specified pursuant to Article XIII. Revolving Loans made pursuant to this Section 2.20.4 shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or converted into Eurodollar Loans in the manner provided in Section 2.10 and subject to the other conditions and limitations set forth in this Article II. Unless a Lender shall have notified the Swing Line Lender, prior to its making any Swing Line Loan, that any applicable condition precedent set forth in Sections 4.1 or 4.2 had not then been satisfied, such

Lender's obligation to make Revolving Loans pursuant to this Section 2.20.4 to repay Swing Line Loans shall be unconditional, continuing, irrevocable and absolute and shall not be affected by any circumstances, including, without limitation, (a) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Agent, the Swing Line Lender or any other Person, (b) the occurrence or continuance of a Default or Unmatured Default, (c) any adverse change in the condition (financial or otherwise) of the Borrower, or (d) any other circumstances, happening or event whatsoever. In the event that any Lender fails to make payment to the Agent of any amount due under this Section 2.20.4, the Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Agent receives such payment from such Lender or such obligation is otherwise fully satisfied. In addition to the foregoing, if for any reason any Lender fails to make payment to the Agent of any amount due under this Section 2.20.4, such Lender shall be deemed, at the option of the Agent, to have unconditionally and irrevocably purchased from the Swing Line Lender, without recourse or warranty, an undivided interest and participation in the applicable Swing Line Loan in the amount of such Revolving Loan, and such interest and participation may be recovered from such Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of demand and ending on the date such amount is received. On the Facility Termination Date, the Borrower shall repay in full the outstanding principal balance of the Swing Line Loans.

2.21. Extension of Facility Termination Date. The Borrower may request an extension of the Facility Termination Date by submitting a request for an extension to the Agent (an "Extension Request") no more than 90 and no less than 30 days prior to the second (2nd) anniversary of the closing of this Agreement. Promptly upon receipt of an Extension Request, the Agent shall notify each Lender thereof and shall request each Lender to approve the Extension Request. Each Lender approving the Extension Request shall deliver its written consent no later than 15 days prior to such second (2nd) anniversary of the closing of this Agreement. If the consent of each of the Lenders is received by the Agent, the Facility Termination Date shall be extended by one year and the Agent shall promptly notify the Borrower and each Lender of the new Facility Termination Date.

2.22. Replacement of Lender. If the Borrower is required pursuant to Section 3.1, 3.2 or 3.5 to make any additional payment to any Lender or if any Lender's obligation to make or continue, or to convert Floating Rate Advances into, Eurodollar Advances shall be suspended pursuant to Section 3.3 (any Lender so affected an "Affected Lender"), the Borrower may elect, if such amounts continue to be charged or such suspension is still effective, to replace such Affected Lender as a Lender party to this Agreement, provided that no Default or Unmatured Default shall have occurred and be continuing at the time of such replacement, and provided further that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Agent shall agree, as of such date, to purchase for cash the Advances and other Obligations due to the Affected Lender pursuant to an assignment substantially in the form of Exhibit C and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 12.3 applicable to assignments, and (ii) the

Borrower shall pay to such Affected Lender in same day funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Affected Lender under Sections 3.1, 3.2 and 3.5, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.4 had the Loans of such Affected Lender been prepaid on such date rather than sold to the replacement Lender.

2.23. Limitation of Interest. The Borrower, the Agent and the Lenders intend to strictly comply with all applicable laws, including applicable usury laws. Accordingly, the provisions of this Section 2.23 shall govern and control over every other provision of this Agreement or any other Loan Document which conflicts or is inconsistent with this Section 2.23, even if such provision declares that it controls. As used in this Section 2.23, the term "interest" includes the aggregate of all charges, fees, benefits or other compensation which constitute interest under applicable law, provided that, to the maximum extent permitted by applicable law, (a) any non-principal payment shall be characterized as an expense or as compensation for something other than the use, forbearance or detention of money and not as interest, and (b) all interest at any time contracted for, reserved, charged or received shall be amortized, prorated, allocated and spread, in equal parts during the full term of the Obligations. In no event shall the Borrower or any other Person be obligated to pay, or any Lender have any right or privilege to reserve, receive or retain, (a) any interest in excess of the maximum amount of nonusurious interest permitted under the laws of the State of Oklahoma or the applicable laws (if any) of the United States or of any other applicable state, or (b) total interest in excess of the amount which such Lender could lawfully have contracted for, reserved, received, retained or charged had the interest been calculated for the full term of the Obligations at the Highest Lawful Rate. On each day, if any, that the interest rate (the "Stated Rate") called for under this Agreement or any other Loan Document exceeds the Highest Lawful Rate, the rate at which interest shall accrue shall automatically be fixed by operation of this sentence at the Highest Lawful Rate for that day, and shall remain fixed at the Highest Lawful Rate for each day thereafter until the total amount of interest accrued equals the total amount of interest which would have accrued if there were no such ceiling rate as is imposed by this sentence. Thereafter, interest shall accrue at the Stated Rate unless and until the Stated Rate again exceeds the Highest Lawful Rate when the provisions of the immediately preceding sentence shall again automatically operate to limit the interest accrual rate. The daily interest rates to be used in calculating interest at the Highest Lawful Rate shall be determined by dividing the applicable Highest Lawful Rate per annum by the number of days in the calendar year for which such calculation is being made. None of the terms and provisions contained in this Agreement or in any other Loan Document which directly or indirectly relate to interest shall ever be construed without reference to this Section 2.21, or be construed to create a contract to pay for the use, forbearance or detention of money at an interest rate in excess of the Highest Lawful Rate. If the term of any Obligation is shortened by reason of acceleration of maturity as a result of any Default or by any other cause, or by reason of any required or permitted prepayment, and if for that (or any other) reason any Lender at any time, including but not limited to, the stated maturity, is owed or receives (and/or has received) interest in excess of interest calculated at the Highest Lawful Rate, then and in any such event all of any such excess interest shall be canceled automatically as of the date of such acceleration, prepayment or other event which produces the excess, and, if such excess interest has been paid

to such Lender, it shall be credited pro tanto against the then-outstanding principal balance of the Borrower's obligations to such Lender, effective as of the date or dates when the event occurs which causes it to be excess interest, until such excess is exhausted or all of such principal has been fully paid and satisfied, whichever occurs first, and any remaining balance of such excess shall be promptly refunded to its payor.

ARTICLE III  
YIELD PROTECTION; TAXES

3.1. Yield Protection. If, on or after the date of this Agreement, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in the interpretation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender or applicable Lending Installation or the LC Issuer with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) subjects any Lender or any applicable Lending Installation or the LC Issuer to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender or the LC Issuer in respect of its Eurodollar Loans, Facility LCs or participations therein, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation or the LC Issuer (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

(iii) imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation or the LC Issuer of making, funding or maintaining its Eurodollar Loans, or of issuing or participating in Facility LCs, reduces any amount receivable by any Lender or any applicable Lending Installation or the LC Issuer in connection with its Eurodollar Loans, Facility LCs or participations therein, or requires any Lender or any applicable Lending Installation or the LC Issuer to make any payment calculated by reference to the amount of Eurodollar Loans, Facility LCs or participations therein held or interest or LC Fees received by it, by an amount deemed material by such Lender or the LC Issuer as the case may be,

and the result of any of the foregoing is to increase the cost to such Lender or applicable Lending Installation or the LC Issuer, as the case may be, of making or maintaining its Eurodollar Loans or Commitment or of issuing or participating in Facility LCs or to reduce the return received by such Lender or applicable Lending Installation or the LC Issuer, as the case may be, in connection with such Eurodollar Loans, Commitment, Facility LCs or participations therein, then, within 15 days of demand by such Lender or the LC Issuer, as the case may be, the

Borrower shall pay such Lender or the LC Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the LC Issuer, as the case may be, for such increased cost or reduction in amount received.

3.2. Changes in Capital Adequacy Regulations. If a Lender or the LC Issuer determines the amount of capital required or expected to be maintained by such Lender or the LC Issuer, any Lending Installation of such Lender or the LC Issuer, or any corporation controlling such Lender or the LC Issuer is increased as a result of a Change, then, within 15 days of demand by such Lender or LC Issuer, the Borrower shall pay such Lender or the LC Issuer the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender or the LC Issuer determines is attributable to this Agreement, its Outstanding Credit Exposure or its Commitment to make Loans and issue or participate in Facility LCs, as the case may be, hereunder (after taking into account such Lender's or the LC Issuer's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or the LC Issuer or any Lending Installation or any corporation controlling any Lender or the LC Issuer. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

3.3. Availability of Types of Advances. If any Lender determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or if the Required Lenders determine that (i) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (ii) the interest rate applicable to Eurodollar Advances does not accurately reflect the cost of making or maintaining Eurodollar Advances, then the Agent shall suspend the availability of Eurodollar Advances and require any affected Eurodollar Advances to be repaid or converted to Floating Rate Advances, subject to the payment of any funding indemnification amounts required by Section 3.4.

3.4. Funding Indemnification. If any payment of a Eurodollar Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Advance is not made on the date specified by the Borrower for any reason other than default by the Lenders, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurodollar Advance.

3.5. Taxes. (i) All payments by the Borrower to or for the account of any Lender, the LC Issuer or the Agent hereunder or under any Note or Facility LC Application shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender, the LC Issuer or the Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender, the LC Issuer or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Agent the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

(ii) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or Facility LC Application or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note or Facility LC Application ("Other Taxes").

(iii) The Borrower hereby agrees to indemnify the Agent, the LC Issuer and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by the Agent, the LC Issuer or such Lender as a result of its Commitment, any Loans made by it hereunder, or otherwise in connection with its participation in this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Agent, the LC Issuer or such Lender makes demand therefor pursuant to Section 3.6.

(iv) Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not more than ten Business Days after the date of this Agreement, (i) deliver to the Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (ii) deliver to the Agent a United States Internal Revenue Form W-8 or W-9, as the case may be, and certify that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Agent (x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and

such Lender advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(v) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to clause (iv), above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which a form originally was required to be provided), such Non-U.S. Lender shall not be entitled to indemnification under this Section 3.5 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv), above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(vi) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(vii) If the U.S. Internal Revenue Service or any other governmental authority of the United States or any other country or any political subdivision thereof asserts a claim that the Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or properly completed, because such Lender failed to notify the Agent of a change in circumstances which rendered its exemption from withholding ineffective, or for any other reason), such Lender shall indemnify the Agent fully for all amounts paid, directly or indirectly, by the Agent as tax, withholding therefor, or otherwise, including penalties and interest, and including taxes imposed by any jurisdiction on amounts payable to the Agent under this subsection, together with all costs and expenses related thereto (including attorneys fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent). The obligations of the Lenders under this Section 3.5(vii) shall survive the payment of the Obligations and termination of this Agreement.

3.6. Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Sections 3.1, 3.2 and 3.5 or to avoid the unavailability of Eurodollar Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. Each Lender shall deliver a written statement of such Lender to the Borrower (with a copy to the Agent) as to the amount due, if any, under Section 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate

applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV  
CONDITIONS PRECEDENT

4.1. Initial Credit Extension. The Lenders shall not be required to make the initial Credit Extension hereunder unless the following conditions have been satisfied and/or the Borrower has furnished to the Agent with sufficient copies for the Lenders:

(i) Copies of the articles or certificate of incorporation of the Borrower and each Subsidiary, together with all amendments, and a certificate of good standing, each certified by the appropriate governmental officer in its jurisdiction of incorporation.

(ii) Copies, certified by the Secretary or Assistant Secretary of the Borrower and each Subsidiary, of its by-laws and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which the Borrower or Subsidiary is a party.

(iii) An incumbency certificate, executed by the Secretary or Assistant Secretary of the Borrower and each Subsidiary, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower and each Subsidiary authorized to sign the Loan Documents to which the Borrower and each Subsidiary is a party, upon which certificate the Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

(iv) A certificate, signed by the chief financial officer of the Borrower, stating that on the initial Credit Extension Date no Default or Unmatured Default has occurred and is continuing.

(v) A written opinion of the Borrower's counsel, addressed to the Lenders in substantially the form of Exhibit A.

(vi) Any Notes requested by a Lender pursuant to Section 2.13 payable to the order of each such requesting Lender.

(vii) Written money transfer instructions, in substantially the form of Exhibit D, addressed to the Agent and signed by an Authorized Officer, together with such other related money transfer authorizations as the Agent may have reasonably requested.

(viii) The Security Agreements, creating a first priority security interest on the Collateral.

(xix) The Pledged Shares.

(x) The UCC-1 Financing Statements.

(xi) The UCC Lien Searches.

(xii) The Vehicle Titles

(xiii) The Vehicle Lien Entry Forms

(xiv) The Mortgaged Properties Documents.

(xv) The Mortgaged Properties Security Instruments, including without limitation Environmental Audits and Environmental Reports acceptable to Agent and Lenders.

(xvi) The Guaranty Agreements.

(xvii) Appraisals, satisfactory to the Agent, prepared by an independent appraiser engaged directly by the Agent, of each parcel of real property or interest in real property described in the Mortgaged Properties Security Instruments which appraisals satisfy the requirements of the Financial Institutions Reform, Recovery and Enforcement Act, as amended, and the regulations promulgated thereunder, if applicable, and which shall evidence compliance with the supervisory loan-to-value limits set forth in the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended, and the regulations promulgated thereunder, if applicable, together with evidence of compliance with applicable federal regulations governing loans in areas having special flood hazards.

(xviii) The insurance certificate described in Section 5.21.

(xix) The Agent shall have determined that (i) since August 31, 2002, there is an absence of any material adverse change or disruption in primary or secondary loan syndication markets, financial markets or in capital markets generally that would likely impair syndication of the Loans hereunder and (ii) the Borrower and Subsidiaries have fully cooperated with the Agent's syndication efforts including, without limitation, by providing the Agent with information regarding the Borrower's and Subsidiaries' operations and prospects and such other information as the Agent deems necessary to successfully syndicate the Loans hereunder.

(xx) If the initial Credit Extension will be the Issuance of a Facility LC, a properly completed Facility LC Application.

(xxi) Assurance satisfactory to Agent of the completion of the Hake Group Acquisition.

(xxii) Such other documents as any Lender or its counsel may have reasonably requested.

(xxiii) Pro forma opening financial statements, giving effect to the Hake Group Acquisition, and projections updating the projections dated February 11, 2003, previously provided to the Lenders, together with such other information as the Agent and Lenders may reasonably request to confirm the tax, legal and business assumptions made in such statements and projections.

(xxiv) Funding under the Hake Group Acquisition shall have occurred by March 31, 2003.

(xxv) Copies of the resolutions of the Borrower and Skyview Partners, LLC authorizing the execution and performance under the Hake Acquisition Documents, together with respective shareholder approval, if necessary.

(xxvi) The Hake Acquisition Documents must be in form and content acceptable to the Agent and Lenders, and Agent and Lenders must receive an opinion of counsel as to the enforceability thereof and compliance with all applicable laws.

4.2 Each Credit Extension. The Lenders shall not (except as otherwise set forth in Section 2.20.4) be required to make any Credit Extension unless on the applicable Credit Extension Date:

(i) There exists no Default or Unmatured Default.

(ii) The representations and warranties contained in Article V are true and correct as of such Credit Extension Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date.

(iii) All legal matters incident to the making of such Credit Extension shall be satisfactory to the Lenders and their counsel.

Each Borrowing Notice or request for issuance of a Facility LC or Swing Line Borrowing Notice, as the case may be, with respect to each such Credit Extension shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2(i) and (ii) have been satisfied. Any Lender may require a duly completed compliance certificate in substantially the form of Exhibit B as a condition to making a Credit Extension.

ARTICLE V  
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

5.1. Existence and Standing. Each of the Borrower and its Subsidiaries is an entity duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization as set forth on Schedule "7" hereto, and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted; subject to the Subsidiaries described on Schedule "8" hereto, which Borrower presently intends to dissolve.

5.2. Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents to which the Borrower is a party constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.3. No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents to which it is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or (ii) the Borrower's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement, as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower or any of its Subsidiaries, is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. Financial Statements. The November 30, 2002 consolidated financial statements of the Borrower and its Subsidiaries (but the June 30, 2002 audited financial statements as to Hake Group) heretofore delivered to the Lenders were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5. Material Adverse Change. Since November 30, 2002 there has been no change in the business, Property, condition (financial or otherwise), prospects or results of operations of the Hake Group which is not covered by the purchase price holdback or of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

5.6. Taxes. The Borrower and its Subsidiaries have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no Lien exists. The United States income tax returns of the Borrower and its Subsidiaries have been audited by the Internal Revenue Service through the fiscal year ended May 31, 1998 as to the Borrower, and January 31, 1997 as to the Hake Group. No tax liens have been filed and no claims are being asserted with respect to any such taxes. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7. Litigation and Contingent Obligations. Except as set forth on Schedule "9", there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Credit Extensions. Other than any liability incident to any litigation, arbitration or proceeding which (i) could not reasonably be expected to have a Material Adverse Effect or (ii) is set forth on Schedule "9", the Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8. Subsidiaries. Schedule "10" contains an accurate list of all Subsidiaries of the Borrower as of the date of this Agreement, setting forth their respective jurisdictions of organization and the percentage of their respective capital stock or other ownership interests owned by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock or other ownership interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

5.9. ERISA. The Unfunded Liabilities of all Single Employer Plans do not in the aggregate exceed \$500,000. Neither the Borrower nor any other member of the Controlled Group has incurred, or is reasonably expected to incur, any withdrawal liability to Multiemployer Plans in excess of \$500,000 in the aggregate. Each Plan complies in all material respects with all applicable requirements of law and regulations, no Reportable Event has occurred with respect to any Plan, neither the Borrower nor any other member of the Controlled Group has withdrawn from any Plan or initiated steps to do so, and no steps have been taken to reorganize or terminate any Plan.

5.10. Accuracy of Information. No information, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Agent or to any Lender in connection with the

negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.11. Regulation U. Margin stock (as defined in Regulation U) constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or other restriction hereunder.

5.12. Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or (ii) any agreement or instrument evidencing or governing Indebtedness.

5.13. Compliance With Laws. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

5.14. Ownership of Properties. Except as set forth on Schedule "2", on the date of this Agreement, the Borrower and its Subsidiaries will have good title, free of all Liens other than those permitted by Section 6.15, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Agent as owned by the Borrower and its Subsidiaries.

5.15. Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. ss. 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Credit Extensions hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.16. Environmental Matters. Except as discussed on Schedule "11" hereto, in the ordinary course of its business, the officers of the Borrower consider the effect of Environmental Laws on the business of the Borrower and its Subsidiaries, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of

any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

5.17. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.18. Public Utility Holding Company Act. Neither the Borrower nor any Subsidiary is a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

5.19. Subordinated Indebtedness. The Obligations constitute senior indebtedness which is entitled to the benefits of the subordination provisions of all outstanding Subordinated Indebtedness.

5.20. Post-Retirement Benefits. The present value of the expected cost of post-retirement medical and insurance benefits payable by the Borrower and its Subsidiaries to its employees and former employees, as estimated by the Borrower in accordance with procedures and assumptions deemed reasonable by the Required Lenders, does not exceed \$500,000.

5.21. Insurance. The certificate signed by the President or Chief Financial Officer of the Borrower, that attests to the existence and adequacy of, and summarizes, the property and casualty insurance program carried by the Borrower with respect to itself and its Subsidiaries and that has been furnished by the Borrower to the Agent and the Lenders, is complete and accurate. This summary includes the insurer's or insurers' name(s), policy number(s), expiration date(s), amount(s) of coverage, type(s) of coverage, exclusion(s), and deductibles. This summary also includes similar information, and describes any reserves, relating to any self-insurance program that is in effect.

5.22. Solvency. (i) Immediately after the consummation of the transactions to occur on the date hereof and immediately following the making of each Loan, if any, made on the date hereof and after giving effect to the application of the proceeds of such Loans, (a) the fair value of the assets of the Borrower and its Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower and its Subsidiaries on a consolidated basis; (b) the present fair saleable value of the Property of the Borrower and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a consolidated basis on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower and its Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted after the date hereof.

(ii) The Borrower does not intend to, or to permit any of its Subsidiaries to, and does not believe that it or any of its Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

5.23. Payment and Performance Bonds. Attached hereto as Schedule "12" are representative copies of payment and performance bonds utilized by the Borrower and Subsidiaries. No such bonds (or any application or related documents) currently, or in the future will, evidence any collateral or security of any kind or nature in favor of the surety.

5.24. Acquisition. All conditions precedent for the completion of the Hake Acquisition have been satisfied.

#### ARTICLE VI COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1. Financial and other Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Agent:

(i) Within 90 days after the close of each of its fiscal years, an unqualified (except for qualifications relating to changes in accounting principles or practices reflecting changes in generally accepted accounting principles and required or approved by the Borrower's independent certified public accountants) audit report (or its 10-K) certified by independent certified public accountants acceptable to the Lenders, prepared in accordance with Agreement Accounting Principles on a consolidated for itself and its Subsidiaries, including balance sheets as of the end of such period, related profit and loss and reconciliation of surplus statements, and a statement of cash flows, accompanied by (a) any management letter prepared by said accountants, and (b) a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default or Unmatured Default, or if, in the opinion of such accountants, any Default or Unmatured Default shall exist, stating the nature and status thereof.

(ii) Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries, consolidated unaudited balance sheets (or its 10-Q) as at the close of each such period and consolidated profit and loss and reconciliation of surplus statements and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer, or its 10-Q's.

(iii) Together with the financial statements required under Sections 6.1(i) and (ii), a compliance certificate in substantially the form of Exhibit B signed by its chief financial officer showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

(iv) If applicable, within 270 days after the close of each Plan year, a statement of the Unfunded Liabilities of each Single Employer Plan, certified as correct by an actuary enrolled under ERISA.

(v) As soon as possible and in any event within 10 days after the Borrower knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer of the Borrower, describing said Reportable Event and the action which the Borrower proposes to take with respect thereto.

(vi) As soon as possible and in any event within 10 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect.

(vii) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished, if not previously delivered to Agent.

(viii) Promptly upon the filing thereof, copies of all annual, quarterly, monthly or other regular reports which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission, if not previously delivered to Agent.

(ix) On each yearly anniversary of the Closing Date, a certificate of good standing for the Borrower and each other Person which has pledged collateral in support of the Obligations from the appropriate governmental officer in its jurisdiction of incorporation or organization.

(x) Such other information (including non-financial information) as the Agent or any Lender may from time to time reasonably request.

(xi) Within thirty (30) days after the end of each calendar month, a completed Borrowing Base Certificate, prepared as of the end of such month and certified by the chief financial officer of the Borrower, including comments as to any Accounts ninety (90) days or more past due and over \$1,000,000.

(xii) Within thirty (30) days after the end of each calendar month, accounts receivable aging reports in form and content satisfactory to Agent.

(xiii) Within thirty (30) days after the end of each fiscal quarter of the Borrower, work in process report summaries and backlog reports, in form and content satisfactory to Agent.

(xiv) Promptly provide Agent written notice of any change order(s) or other action(s) as to any Account resulting in a reduction in excess of \$500,000.

6.2. Use of Proceeds. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Credit Extensions for general corporate purposes and for the Hake Group Acquisition. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Advances to purchase or carry any "margin stock" (as defined in Regulation U).

6.3. Notice of Default. The Borrower will, and will cause each Subsidiary to, give prompt notice in writing to the Lenders of the occurrence of (i) any Default or Unmatured Default, and (ii) any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.4. Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

6.5. Taxes. The Borrower will, and will cause each Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles. At any time that any Subsidiary is organized as a limited liability company, each such limited liability company will qualify for partnership tax treatment under United States federal tax law.

6.6. Insurance. The Borrower will, and will cause each Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all their Property in such amounts and covering such risks as is consistent with sound business practice, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

6.7. Compliance with Laws. The Borrower will, and will cause each Subsidiary to, materially comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws.

6.8. Maintenance of Properties. The Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and

replacements so that its business carried on in connection therewith may be properly conducted at all times.

6.9. Inspection. The Borrower will, and will cause each Subsidiary to, permit the Agent and the Lenders, by their respective representatives and agents, to inspect any of the Property, books and financial records of the Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Agent or any Lender may designate.

6.10. Dividends. The Borrower will not, nor will it permit any Subsidiary to, declare or pay any dividends or make any distributions on its capital stock (other than dividends payable in its own capital stock) or redeem, repurchase or otherwise acquire or retire any of its capital stock at any time outstanding, in excess of \$1,000,000 during any given fiscal year, except that (i) the Borrower may declare and pay dividends (not to exceed fifty percent (50%) of cumulative net income) on its capital stock, and (ii) Subsidiaries may make unlimited dividends to the Borrower, provided that no Default or Unmatured Default shall exist before or after giving effect to such dividends or be created as a result thereof.

6.11. Indebtedness. The Borrower will not, nor will it permit any Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

(i) The Loans and the Reimbursement Obligations.

(ii) Indebtedness existing on the date hereof and described in Schedule "13".

(iii) Indebtedness arising in connection with transactions permitted by Section 6.15(vii).

(iv) Unsecured Indebtedness for general operating purposes not to exceed \$1,000,000 during any given Fiscal Year.

(v) Capital Leases not to exceed \$1,000,000 outstanding at any given time.

6.12. Merger. The Borrower will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person, except that a Subsidiary may merge into the Borrower or a Wholly-Owned Subsidiary.

6.13. Sale of Assets. The Borrower will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of its Property to any other Person, except:

(i) Sales of inventory in the ordinary course of business.

(ii) Leases, sales or other dispositions of its Property (other than those Properties described on Schedule "15" hereto) that, together with all other Property of the Borrower and its

Subsidiaries previously leased, sold or disposed of (other than inventory in the ordinary course of business) as permitted by this Section during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not constitute a Substantial Portion of the Property of the Borrower and its Subsidiaries.

6.14. Investments and Acquisitions. The Borrower will not, nor will it permit any Subsidiary to, make or suffer to exist any Investments (excluding without limitation, in the ordinary course of business consistent with past practices, loans and advances to, and other Investments in, Subsidiaries a party to a Security Agreement), or commitments therefor, or to create any Subsidiary or to become or remain a partner in any partnership or joint venture, or to make any Acquisition of any Person, except:

(i) Cash Equivalent Investments.

(ii) Existing Investments in Subsidiaries and other Investments in existence on the date hereof and described in Schedule "10".

(iii) Acquisitions limited to \$5,000,000 per acquisition and \$10,000,000 in the aggregate per fiscal year.

(iv) In addition to the Radner Hake Joint Venture, project specific joint ventures conducting business similar to Borrower, not to exceed Investment of \$3,000,000 per venture during any given fiscal year.

6.15. Liens. The Borrower will not, nor will it permit any Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Subsidiaries, except:

(i) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books.

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books.

(iii) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation.

(iv) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Subsidiaries.

(v) Liens existing on the date hereof and described in Schedule "2".

(vi) Liens in favor of the Agent, for the benefit of the Lenders, granted pursuant to any Collateral Document.

(vii) Purchase money liens not to exceed \$500,000 during any given fiscal year.

(viii) Liens relating to Capital Leases permitted under Section 6.11(v).

6.16. Capital Expenditures. The Borrower will not, nor will it permit any Subsidiary to, expend, or be committed to expend, in excess of \$12,500,000 for Capital Expenditures during any one fiscal year (commencing with the fiscal year 2004) on a non-cumulative basis in the aggregate for the Borrower and its Subsidiaries, excluding up to \$4,000,000 for the fiscal year ending 2004, with respect to Capital Expenditures for completion of construction of the Port of Catoosa property located at 1105 West Main Parkway.

6.17. Rentals. The Borrower will not, nor will it permit any Subsidiary to, create, incur or suffer to exist obligations for Rentals in excess of \$3,500,000 during any one fiscal year on a non-cumulative basis in the aggregate for the Borrower and its Subsidiaries.

6.18. Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except (i) in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms consistent with past practices between the Borrower or such Subsidiary (provided, that transfers for tax related purposes from Borrower to Subsidiaries and from Subsidiary to Subsidiary shall be permitted), and (ii) transactions between the Borrower or any Subsidiary, on the one hand, and any Subsidiary or other special-purpose entity created to engage solely in a Qualified Receivables Transaction.

6.19. Amendments to Agreements. The Borrower will not, and will not permit any Subsidiary to, amend or terminate any agreement or contract which could cause a Material Adverse Effect.

6.20. Subordinated Indebtedness. The Borrower will not, and will not permit any Subsidiary to, make any amendment or modification to the indenture, note or other agreement evidencing or governing any Subordinated Indebtedness, or directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness.

6.21. Operating Leases. The Borrower will not, nor will it permit any Subsidiary to, enter into or remain liable upon any Operating Lease, which have Operating Lease Obligations more than \$15,000,000 in the aggregate at any one time outstanding. Current Operating Leases include those set forth on Schedule "16" hereto.

6.22. Sale of Accounts. The Borrower will not, nor will it permit any Subsidiary to, sell or otherwise dispose of any notes receivable or accounts receivable, with or without recourse.

6.23. Sale and Leaseback Transactions and other Off-Balance Sheet Liabilities. The Borrower will not, nor will it permit any Subsidiary to, enter into or suffer to exist any (i) Sale and Leaseback Transaction or (ii) any other transaction pursuant to which it incurs or has incurred Off-Balance Sheet Liabilities, except for (a) Rate Management Obligations permitted in this Agreement.

6.24. Contingent Obligations. The Borrower will not, nor will it permit any Subsidiary to, make or suffer to exist any Contingent Obligation (including, without limitation, any Contingent Obligation with respect to the obligations of a Subsidiary), except (i) by endorsement of instruments for deposit or collection in the ordinary course of business, (ii) the Reimbursement Obligations, (iii) the Guaranty, (iv) bonds (i.e., bid, payment, performance), (v) performance as may be required under contractor licenses, and (vi) the guaranty of Subsidiary obligations incurred in the ordinary course of business (e.g., accounts payable and payroll).

6.25. Letters of Credit. The Borrower will not, nor will it permit any Subsidiary to, apply for or become liable upon or in respect of any Letter of Credit other than Facility LCs.

6.26. Financial Contracts. The Borrower will not, nor will it permit any Subsidiary to, enter into or remain liable upon any Financial Contract, except Rate Management Transactions.

6.27. Financial Covenants.

6.27.1. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio, determined as of the end of each of its fiscal quarters, of (i) Consolidated EBITDA for the then most recently ended fiscal four quarters, minus dividends and distributions made or paid during the same period, minus cash taxes paid during the same period and minus Capital Expenditures (excluding \$7,500,000 of Capital Expenditures attributable to the Port facility during the ensuing twelve (12) months), to (ii) scheduled current maturities long-term debt according to generally accepted accounting practices for the ensuing four fiscal quarters, plus Consolidated Interest Expense (excluding non-cash interest accrued on the Hake Acquisition deferred purchase price) for the then most recently ended four fiscal quarters, to be less than 1.40 to 1.0 through February 28, 2005, and thereafter 1.50 to 1.0.

6.27.2. Leverage Ratio. The Borrower will not permit the ratio, determined as of the end of each of its fiscal quarters, of (i) Consolidated Funded Indebtedness (including without limitation the face value of any deferred purchase price or holdback in connection with the acquisition of the Hake Group, but excluding issued but unfunded Letters of Credit or outstanding but unfunded payment and performance bonds), to (ii) Consolidated EBITDA, to be greater than 2.50 to 1.0 through February 28, 2004; 2.25 to 1.0 through February 28, 2005, and thereafter 2.00 to 1.0.

6.27.3. Minimum Net Worth. The Borrower will at all times maintain Consolidated Net Worth (plus fifty percent 50% of quarterly positive net income on a cumulative basis) of not less than \$60,000,000.

ARTICLE VII  
DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lenders or the Agent under or in connection with this Agreement, any Credit Extension, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made.

7.2. Nonpayment of principal of any Loan when due, nonpayment of any Reimbursement Obligations within one Business Day after the same becomes due, or nonpayment of interest upon any Loan or of any commitment fee, LC Fee or other obligations under any of the Loan Documents within five days after the same becomes due.

7.3. The breach by the Borrower (other than a breach which constitutes a Default under another Section of this Article VII) of any of the terms or provisions of this Agreement which is not remedied within (i) ten (10) days as to monetary Defaults other than under 7.2., or (ii) thirty (30) days as to non-monetary Defaults, after written notice from the Agent or any Lender.

7.4. Failure of the Borrower or any of its Subsidiaries to pay when due any Material Indebtedness; or the default by the Borrower or any of its Subsidiaries or any Guarantor in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any Material Indebtedness Agreement, or any other event shall occur or condition exist, the effect of which default, event or condition is to cause, or to permit the holder(s) of such Material Indebtedness or the lender(s) under any Material Indebtedness Agreement to cause, such Material Indebtedness to become due prior to its stated maturity or any commitment to lend under any Material Indebtedness Agreement to be terminated prior to its stated expiration date; or any Material Indebtedness of the Borrower or any of its Subsidiaries or any Guarantor shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any of its Subsidiaries or any Guarantor shall not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.5. The Borrower or any of its Subsidiaries or any Guarantor shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an

order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.5 or (vi) fail to contest in good faith any appointment or proceeding described in Section 7.6.

7.6. Without the application, approval or consent of the Borrower or any of its Subsidiaries, or any Guarantor a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Subsidiaries or any Guarantor or any Substantial Portion of its Property, or a proceeding described in Section 7.5(iv) shall be instituted against the Borrower or any of its Subsidiaries or any Guarantor and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 30 consecutive days.

7.7. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower or any of its Subsidiaries or any Guarantor which, when taken together with all other Property of the Borrower and its Subsidiaries or any Guarantor so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.8. The Borrower or any of its Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of \$1,000,000 or more in excess of insurance coverage (or the equivalent thereof in currencies other than U.S. Dollars) in the aggregate, or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith.

7.9. The Unfunded Liabilities of all Single Employer Plans shall exceed in the aggregate \$500,000 or any Reportable Event shall occur in connection with any Plan.

7.10. Nonpayment by the Borrower or any Subsidiary of any Rate Management Obligation when due or the breach by the Borrower or any Subsidiary of any term, provision or condition contained in any Rate Management Transaction or any transaction of the type described in the definition of "Rate Management Transactions," whether or not any Lender or Affiliate of a Lender is a party thereto.

7.11. Any Change in Control shall occur, except with respect to a merger which does not cause a Material Adverse Effect.

7.12. The Borrower or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that it has incurred withdrawal liability to such Multiemployer Plan in an amount which, when aggregated with all other amounts required to be

paid to Multiemployer Plans by the Borrower or any other member of the Controlled Group has withdrawal liability (determined as of the date of such notification), exceeds \$2,000,000 or requires payments exceeding \$1,000,000 per annum, and such liability has not been fully satisfied within forty-five (45) days of receipt of such notification.

7.13. The Borrower or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if as a result of such reorganization or termination the aggregate annual contributions of the Borrower and the other members of the Controlled Group (taken as a whole) to all Multiemployer Plans which are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the respective plan years of each such Multiemployer Plan immediately preceding the plan year in which the reorganization or termination occurs by an amount exceeding \$2,000,000, and such liability has not been fully satisfied within forty-five (45) days of receipt of such notification.

7.14. The Borrower or any of its Subsidiaries shall (i) be the subject of any proceeding or investigation pertaining to the release by the Borrower, any of its Subsidiaries or any other Person of any toxic or hazardous waste or substance into the environment which results in remediation liability in excess of \$750,000 not covered by insurance or indemnified under the Hake Group Acquisition Documents, or (ii) violate any Environmental Law, which, in the case of an event described in clause (i) or clause (ii), could reasonably be expected to have a Material Adverse Effect.

7.15. The occurrence of any "default", as defined in any Loan Document (other than this Agreement) or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided.

7.16. Any Guaranty (other than a Guaranty of a Subsidiary which has been dissolved pursuant to the provisions of Schedule "8" hereof) shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Guaranty, or any Guarantor shall fail to comply with any of the terms or provisions of any Guaranty to which it is a party, or any Guarantor shall deny that it has any further liability under any Guaranty to which it is a party, or shall give notice to such effect.

7.17. Any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any collateral purported to be covered thereby, except as to equipment which has become obsolete or which is otherwise permitted to become released under the terms of any Collateral Document; or any Collateral Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document, or the Borrower shall fail to comply with any of the terms or provisions of any Collateral Document.

7.18. The representations and warranties set forth in Section 5.15 (Plan Assets; Prohibited Transactions) shall at any time not be true and correct.

7.19. The Borrower or any Subsidiary shall fail to pay when due any Operating Lease Obligation, obligation with respect to a Letter of Credit, obligation under a Sale and Leaseback Transaction or Contingent Obligation, which in the opinion of the Lenders could cause a Material Adverse Effect.

7.20. If the Borrower or any Subsidiary (other than the entities described on Schedule "8") shall discontinue its business or make any material change in the nature of or manner in which it conducts its business, except as permitted under Section 6.4 hereof; or

7.21. If the Borrower or any Subsidiary (other than the entities set forth on Schedule "8") shall fail to maintain, or if any action, suit, proceeding or investigation shall be commenced seeking to cancel, terminate, or alter any permit (i) which is necessary for it to carry on its business now being conducted or as contemplated to be conducted, (ii) which is necessary for it to own and operate its Properties (other than the Properties to be released and described on Schedule "15" hereto), or (iii) which if not obtained would have a Material Adverse Effect; or

7.22. If Borrower should default under the terms of the Port of Catoosa Lease or receive notification from the City of Tulsa-Rogers County Port Authority that the leasehold interest of Borrower under the Port Lease is being terminated.

ARTICLE VIII  
ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1. Acceleration; Facility LC Collateral Account. (i) If any Default described in Section 7.5, 7.6 or 7.7 occurs with respect to the Borrower or any of its Subsidiaries, the obligations of the Lenders to make Loans hereunder and the obligation and power of the LC Issuer to issue Facility LCs shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Agent, the LC Issuer or any Lender and the Borrower will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay to the Agent an amount in immediately available funds, which funds shall be held in the Facility LC Collateral Account, equal to the difference of (x) the amount of LC Obligations at such time, less (y) the amount on deposit in the Facility LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (such difference, the "Collateral Shortfall Amount"). If any other Default occurs, the Required Lenders (or the Agent with the consent of the Required Lenders) may (a) terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation and power of the LC Issuer to issue Facility LCs, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, and (b) upon notice to the Borrower and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Borrower to pay, and the Borrower will, forthwith upon such

demand and without any further notice or act, pay to the Agent the Collateral Shortfall Amount, which funds shall be deposited in the Facility LC Collateral Account.

(ii) If at any time while any Default is continuing, the Agent determines that the Collateral Shortfall Amount at such time is greater than zero, the Agent may make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Agent the Collateral Shortfall Amount, which funds shall be deposited in the Facility LC Collateral Account.

(iii) The Agent may at any time or from time to time after funds are deposited in the Facility LC Collateral Account, apply such funds to the payment of the Obligations and any other amounts as shall from time to time have become due and payable by the Borrower to the Lenders or the LC Issuer under the Loan Documents.

(iv) At any time while any Default is continuing, neither the Borrower nor any Person claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds held in the Facility LC Collateral Account. After all of the Obligations have been indefeasibly paid in full and the Aggregate Commitment has been terminated, any funds remaining in the Facility LC Collateral Account shall be returned by the Agent to the Borrower or paid to whomever may be legally entitled thereto at such time.

(v) If, within thirty 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and the obligation and power of the LC Issuer to issue Facility LCs hereunder as a result of any Default (other than any Default as described in Section 7.5, 7.6 or 7.7 with respect to the Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2. Amendments. Subject to the provisions of this Section 8.2, the Required Lenders (or the Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; provided, however, that no such supplemental agreement shall, without the consent of all of the Lenders:

(i) Extend the final maturity of any Loan, or extend the expiry date of any Facility LC to a date after the Facility Termination Date or postpone any regularly scheduled payment of principal of any Loan or forgive all or any portion of the principal amount thereof or any Reimbursement Obligation related thereto, or reduce the rate or extend the time of payment of interest or fees thereon or Reimbursement Obligations related thereto.

(ii) Reduce the percentage specified in the definition of Required Lenders.

(iii) Extend the Facility Termination Date, or reduce the amount or extend the payment date for, the mandatory payments required under Section 2.2, or increase the amount of

the Aggregate Commitment, the Commitment of any Lender hereunder or the commitment to issue Facility LCs, or permit the Borrower to assign its rights under this Agreement.

(iv) Amend this Section 8.2.

(v) Release any Guarantor or, except as provided in the Collateral Documents or as to the companies set forth on Schedule "8" or the Properties set forth on Schedule "15", release more than a Substantial Portion of the Collateral.

No amendment of any provision of this Agreement relating to the Agent shall be effective without the written consent of the Agent, no amendment of any provision relating to the LC Issuer shall be effective without the written consent of the LC Issuer, and no amendment of any provision of this Agreement relating to the Swing Line Lender or any Swing Line Loans shall be effective without written consent of the Swing Line Lender. The Agent may waive payment of the fee required under Section 12.3.2 without obtaining the consent of any other party to this Agreement.

8.3. Preservation of Rights. No delay or omission of the Lenders, the LC Issuer or the Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 8.2, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Agent, the LC Issuer and the Lenders until the Obligations have been paid in full.

#### ARTICLE IX GENERAL PROVISIONS

9.1. Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.2. Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, either the LC Issuer nor any Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3. Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4. Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Agent, the LC Issuer and the Lenders and supersede all prior agreements and understandings among the Borrower, the Agent, the LC Issuer and the Lenders relating to the subject matter thereof other than those contained in the fee letter described in Section 10.13 which shall survive and remain in full force and effect during the term of this Agreement.

9.5. Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns, provided, however, that the parties hereto expressly agree that the Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

9.6. Expenses; Indemnification. (i) The Borrower shall reimburse the Agent and the Arranger for any costs, internal charges and out-of-pocket expenses (including attorneys' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent) paid or incurred by the Agent or the Arranger in connection with the preparation, negotiation, execution, delivery, syndication, distribution (including, without limitation, via the internet), review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Agent, the Arranger, the LC Issuer and the Lenders for any costs, internal charges and out-of-pocket expenses (including attorneys' fees and time charges of attorneys for the Agent, the Arranger, the LC Issuer and the Lenders, which attorneys may be employees of the Agent, the Arranger, the LC Issuer or the Lenders) paid or incurred by the Agent, the Arranger, the LC Issuer or any Lender in connection with the collection and enforcement of the Loan Documents. Expenses being reimbursed by the Borrower under this Section include, without limitation, the cost and expense of obtaining an appraisal of each parcel of real property or interest in real property described in the relevant Collateral Documents, which appraisal shall be in conformity with the applicable requirements of any law or any governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, including, without limitation, the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, reformed or otherwise modified from time to time, and any rules promulgated to implement such provisions and costs and expenses incurred in connection with the Reports described in the following sentence. The Borrower acknowledges that from time to time Bank One may prepare and may distribute to the Lenders (but shall have no obligation or duty to prepare or to distribute to the Lenders) certain audit reports (the "Reports") pertaining to the Borrower's assets for internal use by Bank One

from information furnished to it by or on behalf of the Borrower, after Bank One has exercised its rights of inspection pursuant to this Agreement.

(ii) The Borrower hereby further agrees to indemnify the Agent, the Arranger, the LC Issuer and each Lender, its directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent, the Arranger, the LC Issuer or any Lender is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Credit Extension hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. The obligations of the Borrower under this Section 9.6 shall survive the termination of this Agreement.

9.7. Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Agent with sufficient counterparts so that the Agent may furnish one to each of the Lenders.

9.8. Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles, except that any calculation or determination which is to be made on a consolidated basis shall be made for the Borrower and all its Subsidiaries, including those Subsidiaries, if any, which are unconsolidated on the Borrower's audited financial statements.

9.9. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10. Nonliability of Lenders. The relationship between the Borrower on the one hand and the Lenders, the LC Issuer and the Agent on the other hand shall be solely that of borrower and lender. Neither the Agent, the Arranger, the LC Issuer nor any Lender shall have any fiduciary responsibilities to the Borrower. Neither the Agent, the Arranger, the LC Issuer nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that neither the Agent, the Arranger, the LC Issuer nor any Lender shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Agent, the Arranger, the LC Issuer nor any Lender shall have any liability with respect to, and the Borrower

hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Borrower in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11. Confidentiality. Each Lender agrees to hold any confidential information which it may receive from the Borrower pursuant to this Agreement in confidence, except for disclosure (i) to its Affiliates and to other Lenders and their respective Affiliates, (ii) to legal counsel, accountants, and other professional advisors to such Lender or to a Transferee, (iii) to regulatory officials, (iv) to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which such Lender is a party, (vi) to such Lender's direct or indirect contractual counterparties in swap agreements or to legal counsel, accountants and other professional advisors to such counterparties, (vii) permitted by Section 12.4 and (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder.

9.12. Nonreliance. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System) for the repayment of the Credit Extensions provided for herein.

9.13. Disclosure. The Borrower and each Lender hereby (i) acknowledge and agree that (a) one or more Affiliates of Bank One are or may become direct or indirect equity investors in Borrower, and (b) Bank One and/or its Affiliates from time to time may hold other investments in, make other loans to or have other relationships with Borrower, and (ii) waive any liability of Bank One or such Affiliate to the Borrower or any Lender, respectively, arising out of or resulting from such investments, loans or relationships other than liabilities arising out of the gross negligence or willful misconduct of Bank One or its Affiliates.

#### ARTICLE X THE AGENT

10.1. Appointment; Nature of Relationship. Bank One, Oklahoma, NA is hereby appointed by each of the Lenders as its contractual representative (herein referred to as the "Agent") hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Agent agrees to act as such contractual representative upon the express conditions contained in this Article X. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Agent is merely acting as the contractual representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Agent (i) does not hereby assume any fiduciary duties to any of the Lenders, (ii) is a "representative" of the Lenders within the meaning of the term "secured party" as defined in the Oklahoma Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which

are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

10.2. Powers. The Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Agent.

10.3. General Immunity. Neither the Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4. No Responsibility for Loans, Recitals, etc. Neither the Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (c) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Agent; (d) the existence or possible existence of any Default or Unmatured Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. The Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Borrower to the Agent at such time, but is voluntarily furnished by the Borrower to the Agent (either in its capacity as Agent or in its individual capacity).

10.5. Action on Instructions of Lenders. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders (or, if required in this Agreement, the Lenders), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders. The Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6. Employment of Agents and Counsel. The Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Agent and the Lenders and all matters pertaining to the Agent's duties hereunder and under any other Loan Document.

10.7. Reliance on Documents; Counsel. The Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Agent, which counsel may be employees of the Agent.

10.8. Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to their respective Commitments (or, if the Commitments have been terminated, in proportion to their Commitments immediately prior to such termination) (i) for any amounts not reimbursed by the Borrower for which the Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents, provided that (i) no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent and (ii) any indemnification required pursuant to Section 3.5(vii) shall, notwithstanding the provisions of this Section 10.8, be paid by the relevant Lender in accordance with the provisions thereof. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations and termination of this Agreement.

10.9. Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder unless the Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders.

10.10. Rights as a Lender. In the event the Agent is a Lender, the Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Loans as any Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, at any time when the Agent is a Lender, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person. The Agent, in its individual capacity, is not obligated to remain a Lender.

10.11. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Agent, the Arranger or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, the Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.12. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, such resignation to be effective upon the appointment of a successor Agent or, if no successor Agent has been appointed, forty-five days after the retiring Agent gives notice of its intention to resign. The Agent may be removed at any time with or without cause by written notice received by the Agent from the Required Lenders, such removal to be effective on the date specified by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders within thirty days after the resigning Agent's giving notice of its intention to resign, then the resigning Agent may appoint, on behalf of the Borrower and the Lenders, a successor Agent. Notwithstanding the previous sentence, the Agent may at any time without the consent of the Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Agent hereunder. If the Agent has resigned or been removed and no successor Agent has been appointed, the Lenders may perform all the duties of the Agent hereunder and the Borrower shall make all payments in respect of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted the appointment. Any such successor Agent shall be a commercial bank having capital and retained earnings of at least \$100,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Agent. Upon the effectiveness of the resignation or removal of the Agent, the resigning or removed Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Agent, the provisions of this Article X shall continue in effect for the benefit of such Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder and under the other Loan Documents. In

the event that there is a successor to the Agent by merger, or the Agent assigns its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Agent.

10.13. Agent and Arranger Fees. The Borrower agrees to pay to the Agent and the Arranger, for their respective accounts, the fees agreed to by the Borrower, the Agent and the Arranger pursuant to that certain letter agreement dated January 17, 2003, or as otherwise agreed from time to time.

10.14. Delegation to Affiliates. The Borrower and the Lenders agree that the Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Agent is entitled under Articles IX and X.

10.15. Execution of Collateral Documents. The Lenders hereby empower and authorize the Agent to execute and deliver to the Borrower on their behalf the Security Agreement(s) and all related financing statements and any financing statements, agreements, documents or instruments as shall be necessary or appropriate to effect the purposes of the Security Agreement(s).

10.16. Collateral Releases. The Lenders hereby empower and authorize the Agent to execute and deliver to the Borrower on their behalf any agreements, documents or instruments as shall be necessary or appropriate to effect any releases of Collateral which shall be permitted by the terms hereof or of any other Loan Document or which shall otherwise have been approved by the Required Lenders (or, if required by the terms of Section 8.2, all of the Lenders) in writing.

#### ARTICLE XI SETOFF; RATABLE PAYMENTS

11.1. Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender or any Affiliate of any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

11.2. Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it upon its Outstanding Credit Exposure (other than payments received pursuant to Section 3.1, 3.2, 3.4 or 3.5) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Aggregate Outstanding Credit Exposure held by the other Lenders so that after such purchase each Lender will hold its Pro Rata Share of the Aggregate Outstanding Credit Exposure. If any Lender, whether in

connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their respective Pro Rata Shares of the Aggregate Outstanding Credit Exposure. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

ARTICLE XII  
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1. Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns permitted hereby, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the prior written consent of each Lender, (ii) any assignment by any Lender must be made in compliance with Section 12.3, and (iii) any transfer by Participation must be made in compliance with Section 12.2. Any attempted assignment or transfer by any party not made in compliance with this Section 12.1 shall be null and void, unless such attempted assignment or transfer is treated as a participation in accordance with Section 12.3.2. The parties to this Agreement acknowledge that clause (ii) of this Section 12.1 relates only to absolute assignments and this Section 12.1 does not prohibit assignments creating security interests, including, without limitation, (x) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank or (y) in the case of a Lender which is a Fund, any pledge or assignment of all or any portion of its rights under this Agreement and any Note to its trustee in support of its obligations to its trustee; provided, however, that no such pledge or assignment creating a security interest shall release the transferor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 12.3. The Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 12.3; provided, however, that the Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

12.2. Participations.

12.2.1. Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Outstanding Credit Exposure of such Lender, any Note held by such Lender, any Commitment of such

Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Outstanding Credit Exposure and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2. Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Credit Extension or Commitment in which such Participant has an interest which would require consent of all of the Lenders pursuant to the terms of Section 8.2 or of any other Loan Document.

12.2.3. Benefit of Certain Provisions. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, provided that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender. The Borrower further agrees that each Participant shall be entitled to the benefits of Sections 3.1, 3.2, 3.4 and 3.5 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.3, provided that (i) a Participant shall not be entitled to receive any greater payment under Section 3.1, 3.2 or 3.5 than the Lender who sold the participating interest to such Participant would have received had it retained such interest for its own account, unless the sale of such interest to such Participant is made with the prior written consent of the Borrower, and (ii) any Participant not incorporated under the laws of the United States of America or any State thereof agrees to comply with the provisions of Section 3.5 to the same extent as if it were a Lender.

### 12.3. Assignments.

12.3.1. Permitted Assignments. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. Such assignment shall be substantially in the form of Exhibit C or in such other form as may be agreed to by the parties thereto. The consent of the Borrower, the Agent and the LC Issuer shall be required prior to an assignment becoming effective with

respect to a Purchaser which is not a Lender or an Affiliate thereof; provided, however, that if a Default has occurred and is continuing, the consent of the Borrower shall not be required. Such consent shall not be unreasonably withheld or delayed. Each such assignment with respect to a Purchaser which is not a Lender or an Affiliate thereof shall (unless each of the Borrower and the Agent otherwise consents) be in an amount not less than the lesser of (i) \$5,000,000 or (ii) the remaining amount of the assigning Lender's Commitment (calculated as at the date of such assignment) or outstanding Loans (if the applicable Commitment has been terminated).

12.3.2. Effect; Effective Date. Upon (i) delivery to the Agent of a notice of assignment, substantially in the form attached as Exhibit I to Exhibit C (a "Notice of Assignment"), together with any consents required by Section 12.3.1, and (ii) payment of a \$3,500 fee to the Agent for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. The Notice of Assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and Outstanding Credit Exposure under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment and Outstanding Credit Exposure assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.2, the transferor Lender, the Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

12.3.3. Register. The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Tulsa, Oklahoma a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

12.4. Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries, including without limitation any information contained in any Reports; provided that each Transferee and prospective Transferee agrees to be bound by Section 9.11 of this Agreement.

12.5. Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is not incorporated under the laws of the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.5(iv).

#### ARTICLE XIII NOTICES

13.1. Notices. Except as otherwise permitted by Section 2.14 with respect to borrowing notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Borrower or the Agent, at its address or facsimile number set forth on the signature pages hereof, (y) in the case of any Lender, at its address or facsimile number set forth below its signature hereto or in its administrative questionnaire, or (z) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Agent and the Borrower in accordance with the provisions of this Section 13.1. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified in this Section; provided that notices to the Agent under Article II shall not be effective until received.

13.2. Change of Address. The Borrower, the Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

#### ARTICLE XIV COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this

Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Agent, the LC Issuer and the Lenders and each party has notified the Agent by facsimile transmission or telephone that it has taken such action.

ARTICLE XV

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

15.1. CHOICE OF LAW. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF OKLAHOMA, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

15.2. CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR OKLAHOMA STATE COURT SITTING IN TULSA, OKLAHOMA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENT, THE LC ISSUER OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE AGENT, THE LC ISSUER OR ANY LENDER OR ANY AFFILIATE OF THE AGENT, THE LC ISSUER OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN TULSA, OKLAHOMA.

15.3. WAIVER OF JURY TRIAL. THE BORROWER, THE AGENT, THE LC ISSUER AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

IN WITNESS WHEREOF, the Borrower, the Lenders, the LC Issuer and the Agent have executed this Agreement as of the date first above written.

MATRIX SERVICE COMPANY

By:

-----  
Michael J. Hall, Vice President  
Notice Address: 10701 East Ute Street  
Tulsa, OK 74116  
Attention: Michael J. Hall,  
Vice President  
Telephone: (918) 838-8822  
FAX: (918) 838-8810

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Commitments

Revolving Loan: \$15,085,714.00  
Term Loan: \$8,914,286.00

BANK ONE, OKLAHOMA, NA  
Individually and as Agent and LC Issuer

By:

-----  
David G. Page, First Vice President  
Notice Address: 4th Floor OK2-6110  
15 East Fifth Street  
Tulsa, OK 74103  
Attention: David G. Page,  
First Vice President  
Telephone: (918) 586-5430  
FAX: (918) 586-5474

Commitments

Revolving Loan: \$9,428,571.00  
Term Loan: \$5,571,429.00

LOCAL OKLAHOMA BANK, NA

By:

-----  
Larry Jemison, Senior Vice President  
Notice Address: 2250 East 73rd Street  
Suite 200  
Tulsa, OK 74136  
Attention: Larry Jemison,  
Senior Vice President  
Telephone: (918) 497-2421  
FAX: (918) 497-2497

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Commitments

Revolving Loan: \$9,428,571.00  
Term Loan: \$5,571,429.00

WACHOVIA BANK,  
NATIONAL ASSOCIATION

By:

-----  
Stephen T. Dorosh, Vice President  
Notice Address: 123 South Broad Street  
14th Floor - PA1202  
Phillidelphia, PA 19109  
Attention: Stephen T. Dorosh,  
Vice President  
Telephone: (215) 670-6577  
FAX: (215) 670-6543

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Commitments

Revolving Loan: \$6,285,714.00  
Term Loan: \$3,714,286.00

UMB BANK, N.A.

By:

-----  
Richard J. Lehrter, Community Bank President  
Notice Address: 1437 South Boulder Avenue  
Suite 150  
Tulsa, OK 74119  
Attention: Richard J. Lehrter, President  
Telephone: (918) 295-2000  
FAX: (918) 295-2020

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Commitments

Revolving Loan: \$14,771,430.00  
Term Loan: \$8,728,570.00

WELLS FARGO BANK TEXAS, NA

By:

-----  
Brad S. Thompson, Vice President  
Notice Address: 3rd Floor MACT5303-031  
1445 Ross Avenue  
Dallas, TX 75202  
Attention: Brad S. Thompson,  
Vice President  
Telephone: (214) 740-1545  
FAX: (214) 969-0368

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PRICING SCHEDULE

LEVERAGE RATIO	APPLICABLE MARGIN (BPS)			LETTERS OF CREDIT COMMITMENT	
	EURODOLLAR LOANS*(+)	ABR LOANS*(+)	SWING LINE LOANS(+)	FEE(bps)	FEE (bps)
>2.50x	250.0	25.0	25.0	250.0	50.0
<=2.50x	225.0	00.0	00.0	225.0	50.0
<=2.00x	200.0	-25.0	-25.0	200.0	37.5
<=1.50x	175.0	-50.0	-50.0	175.0	32.5

\* Term Loan pricing shall be .25% higher

The Applicable Margin and Applicable Fee Rate shall be determined in accordance with the foregoing table based on the Leverage Ratio as reflected in the then most recent Financials. Adjustments, if any, to the Applicable Margin or Applicable Fee Rate shall be effective five Business Days after the Agent has received the applicable Financials. If the Borrower fails to deliver the Financials to the Agent at the time required pursuant to Section 6.1, then the Applicable Margin and Applicable Fee Rate shall be the highest Applicable Margin and Applicable Fee Rate set forth in the foregoing table until five (5) Business Days after such Financials are so delivered.

The term "Financials" means the annual or quarterly consolidated financial statements of the Borrower and its Subsidiaries.

In the event the Applicable Margin is negative, it shall only be deducted to the extent that the ABR is being calculated based upon the Prime Rate.

For the six month period following the execution date of the Credit Agreement, the Borrower's pricing shall be deemed to be no cheaper than the pricing based on Leverage Ratio = 2.50 to 1.00. Thereafter, the Applicable Margin and Applicable Fee Rate shall be determined in accordance with the foregoing table based on the Leverage Ratio as reflected in the then most recent Financials. Adjustments, if any, to the Applicable Margin or Applicable Fee Rate shall be effective five (5) Business Days after the Agent has received the applicable Financials

EXHIBIT A  
FORM OF OPINION

The Agent, the LC Issuer and the Lenders who are parties to the Credit Agreement described below.

Gentlemen/Ladies:

We are counsel for \_\_\_\_\_ (the "Borrower"), and have represented the

Borrower in connection with its execution and delivery of a Credit Agreement dated as of March \_\_\_\_\_, 2003 (the "Agreement") among the Borrower, the Lenders

named therein, and Bank One, Oklahoma, NA, as Agent and as LC Issuer, and providing for Credit Extensions in an aggregate principal amount not exceeding \$32,500,000 at any one time outstanding. All capitalized terms used in this opinion and not otherwise defined herein shall have the meanings attributed to them in the Agreement.

We have examined the Borrower's \*\*[describe constitutive documents of Borrower and appropriate evidence of authority to enter into the transaction]\*\*, the Loan Documents and such other matters of fact and law which we deem necessary in order to render this opinion. Based upon the foregoing, it is our opinion that:

1. Each of the Borrower and its Subsidiaries is a corporation, partnership or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

2. The execution and delivery by the Borrower of the Loan Documents \*\*[to which it is a party]\*\* and the performance by the Borrower of its obligations thereunder have been duly authorized by proper corporate proceedings on the part of the Borrower and will not:

(a) require any consent of the Borrower's shareholders or members (other than any such consent as has already been given and remains in full force and effect);

(b) violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or (ii) the Borrower's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement, as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which the Borrower or any of its Subsidiaries is a party or is

subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder; or

(c) result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of any indenture, instrument or agreement binding upon the Borrower or any of its Subsidiaries.

3. The Loan Documents **\*\*[to which the Borrower is a party]\*\*** have been duly executed and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms except to the extent the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and subject also to the availability of equitable remedies if equitable remedies are sought. **\*\*[NOTE: If there are Loan Documents executed by related entities other than the Borrower, separate provisions of the opinion or additional opinions should cover those documents and their enforceability against such parties.]\*\***

4. There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the best of our knowledge after due inquiry, threatened against the Borrower or any of its Subsidiaries which, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

5. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower or any of its Subsidiaries, is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under the Agreement, the payment and performance by the Borrower of the Obligations, or the legality, validity, binding effect or enforceability of any of the Loan Documents.

**\*\*[6. The Obligations constitute senior indebtedness which is entitled to the benefits of the subordination provisions of all outstanding Subordinated Indebtedness.]\*\***

**\*\*[7. The provisions of the Collateral Documents are sufficient to create in favor of the Lenders and, to the extent they have entered into Rate Management Transactions with the Borrower, the Lenders' Affiliates, a security interest in all right, title and interest of the Borrower in those items and types of collateral described in the Collateral Documents in which a security interest may be created under Article 9 of the Uniform Commercial Code as in effect on the date hereof in Oklahoma. Financing statements on Form UCC-1's have been duly executed by the Borrower and have been duly filed in each filing office indicated in Exhibit A hereto under the Uniform Commercial Code in effect in each state in which said filing offices are located. The description of the collateral set forth in said financing statements is sufficient to perfect a security interest in the items and types of collateral described therein in which a security interest may be perfected by the filing of a financing statement under the Uniform Commercial Code as in effect in such states. Such filings are sufficient to perfect the security interest created by the Collateral Documents in all right, title and interest of the Borrower in those items and types of**

collateral described in the Collateral Documents in which a security interest may be perfected by the filing of a financing statement under the Uniform Commercial Code in such states, except that we express no opinion as to personal property affixed to real property in such manner as to become a fixture under the laws of any state in which the collateral may be located and we call your attention to the fact that the Lenders' (and, if applicable, their Affiliates') security interest in certain of such collateral may not be perfected by filing financing statements under the Uniform Commercial Code.]\*\*

This opinion may be relied upon by the Agent, the LC Issuer, the Lenders and their participants, assignees and other transferees.

Very truly yours,

EXHIBIT B

COMPLIANCE CERTIFICATE

To: The Lenders parties to the  
Credit Agreement Described Below

This Compliance Certificate is furnished pursuant to that certain Credit Agreement dated as of March 7, 2003 (as amended, modified, renewed or extended from time to time, the "Agreement") among the Matrix Service Company (the "Borrower"), the lenders party thereto and Bank One, Oklahoma, NA, as Agent for the Lenders and as LC Issuer. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected \_\_\_\_\_ of the Borrower;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or Unmatured Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and

4. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

5. Schedule II hereto sets forth the determination of the interest rates to be paid for Advances, the LC Fee rates and the commitment fee rates commencing on the fifth day following the delivery hereof.

6. Schedule III attached hereto sets forth the various reports and deliveries which are required at this time under the Credit Agreement, the Security Agreement and the other Loan Documents and the status of compliance.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

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The foregoing certifications, together with the computations set forth in Schedule I and Schedule II hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this      day of

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----- / -----

MATRIX SERVICE COMPANY

By -----  
Name -----  
Title -----  
-----

SCHEDULE I TO COMPLIANCE CERTIFICATE

Compliance as of \_\_\_\_\_ with  
Provisions of \_\_\_\_\_ and \_\_\_\_\_ of  
\_\_\_\_\_ of  
the Agreement

SCHEDULE II TO COMPLIANCE CERTIFICATE  
Borrower's Applicable Margin Calculation

SCHEDULE III TO COMPLIANCE CERTIFICATE

Reports and Deliveries Currently Due

EXHIBIT C

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between (the "Assignor") and (the "Assignee").

Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below, the interest in and to all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto that represents the amount and percentage interest identified below of all of the Assignor's outstanding rights and obligations under the respective facilities identified below (including without limitation any letters of credit, guaranties and swingline loans included in such facilities and, to the extent permitted to be assigned under applicable law, all claims (including without limitation contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity), suits, causes of action and any other right of the Assignor against any Person whether known or unknown arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby) (the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: -----

2. Assignee: ----- [and is an  
-----  
Affiliate/Approved Fund of [identify Lender]/1/

3. Borrower: Matrix Service Company

4. Agent: Bank One, Oklahoma, NA, as the agent under the Credit Agreement.

5. Credit Agreement: The \$ ----- Credit Agreement dated as of March -----, 2003 among Matrix Service Company, the Lenders party thereto, Bank One, Oklahoma, NA, as Agent, and the other agents party thereto.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders*	Amount of Commitment/Loans Assigned*	Percentage Assigned of Commitment/Loans/2/
/3/	\$	\$	-----%
	\$	\$	-----%
	\$	\$	-----%

7. Trade Date: \_\_\_\_\_ /4/

Effective Date: \_\_\_\_\_ 20 [TO BE INSERTED BY AGENT AND WHICH  
 SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER BY THE AGENT.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

-----

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

ASSIGNEE

-----

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

[Consented to and]5/ Accepted:  
 Bank One, Oklahoma, NA, as Agent

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

Consented to and Accepted:.  
 Bank One, Oklahoma, NA,  
 as LC Issuer

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

Consented to and Accepted:  
 Matrix Service Company,  
 Borrower

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

\*Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

/2/ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

/3/ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment," "Term Loan Commitment," etc.)

ANNEX 1  
TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby. Neither the Assignor nor any of its officers, directors, employees, agents or attorneys shall be responsible for (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency, perfection, priority, collectibility, or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Documents, (v) inspecting any of the property, books or records of the Borrower, or any guarantor, or (vi) any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans or the Loan Documents.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iii) agrees that its payment instructions and notice instructions are as set forth in Schedule 1 to this Assignment and Assumption, (iv) confirms that none of the funds, monies, assets or other consideration being used to make the purchase and assumption hereunder are "plan assets" as defined under ERISA and that its rights, benefits and interests in and under the Loan Documents will not be "plan assets" under ERISA, (v) agrees to indemnify and hold the Assignor harmless against all losses, costs and expenses (including, without limitation, reasonable attorneys' fees) and liabilities incurred by the Assignor in connection with or arising in any manner from the Assignee's non-performance of the obligations assumed under this Assignment and Assumption, (vi) it has received a copy of the Credit Agreement, together with copies of financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (vii) attached as Schedule 1 to this Assignment and Assumption is any documentation required to be delivered by the Assignee with respect to its tax status pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action

under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. The Assignee shall pay the Assignor, on the Effective Date, the amount agreed to by the Assignor and the Assignee. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of Oklahoma.

ADMINISTRATIVE QUESTIONNAIRE

(Administrative Questionnaire shall be delivered by the Agent to the Lenders and Assignee for completion, separate and apart herefrom)

US AND NON-US TAX INFORMATION REPORTING REQUIREMENTS

(Reporting Requirements Schedule shall be delivered by the Agent to the Lenders and Assignee for completion, separate and apart herefrom)



EXHIBIT E-1  
REVOLVING NOTE

March , 2003  
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The undersigned promises (jointly and severally promise) to pay to the order of \_\_\_\_\_ ("Lender"), with payments made to Bank One, Oklahoma, NA,

as Agent (the "Agent"), the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the undersigned pursuant to Section 2.1.1 of the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The undersigned shall pay the principal of and accrued and unpaid interest on the Revolving Loans in full on the Revolving Credit Termination Date.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Revolving Loan and the date and amount of each principal payment hereunder.

This Revolving Note is one of the Notes issued pursuant to, and is entitled to the benefits of, the Credit Agreement dated as of March , 2003 (which, as

it may be amended or modified and in effect from time to time, is herein called the "Agreement"), among Matrix Service Company, certain other Credit Parties, the Agent, the Lender, and certain other lenders to which Agreement reference is hereby made for a statement of the terms and conditions governing this Revolving Note, including the terms and conditions under which this Revolving Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

"Borrower"

MATRIX SERVICE COMPANY

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

SCHEDULE OF LOANS AND PAYMENTS OF PRINCIPAL

TO  
NOTE OF \_\_\_\_\_,

DATED \_\_\_\_\_,

Date	Principal Amount of Loan	Maturity of Interest Period	Principal Amount Paid	Unpaid Balance
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EXHIBIT E-2  
TERM NOTE

March , 2003

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The undersigned promises (jointly and severally promise) to pay to the order of \_\_\_\_\_ (the "Lender") with payments made to Bank One,

Oklahoma, NA, as Agent ("Agent"), the aggregate unpaid principal amount of the Term Loan made by the Lender to the undersigned pursuant to Section 2.1.2 of the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The undersigned shall pay the principal of and accrued and unpaid interest on the Term Loans in full on the Term Loan Maturity Date and shall make such mandatory pre-payments as are required to be made under the terms of Article II of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of such Term Loan and the date and amount of each principal payment hereunder.

This Term Note is one of the Notes issued pursuant to, and is entitled to the benefits of, the Credit Agreement dated as of March , 2003 (which, as it

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may be amended or modified and in effect from time to time, is herein called the "Agreement"), among Matrix Service Company, the Agent, the Lender, and certain other lenders, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

"Borrower"  
MATRIX SERVICE COMPANY

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

SCHEDULE OF LOANS AND PAYMENTS OF PRINCIPAL  
 TO  
 NOTE OF \_\_\_\_\_,  
 DATED \_\_\_\_\_,

Date	Principal Amount of Loan	Maturity of Interest Period	Principal Amount Paid	Unpaid Balance
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EXHIBIT E-3  
SWING LINE NOTE

\$5,000,000.00

March \_\_\_\_\_, 2003  
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The undersigned promises (jointly and severally promise) to pay to the order of BANK ONE, OKLAHOMA, NA (the "Lender") the aggregate unpaid principal amount of all Swing Line Loans made by the Lender to the undersigned pursuant to Section 2.1.3 of the Agreement (as hereinafter defined), in immediately available funds at the place specified pursuant to Article II of the Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The undersigned shall repay the entire outstanding principal amount of the Swing Line Loans in full on the Swing Line Loan Payment Date.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Swing Line Loan and the date and amount of each principal payment hereunder.

This Swing Line Note is one of the Swing Line Notes issued pursuant to, and is entitled to the benefits of, the Credit Agreement, dated as of March \_\_\_\_\_, 2003 (which, as it may be amended or modified and in effect from time to time, is herein called the "Agreement") among Matrix Service Company, certain other Credit Parties, the Lender, and certain other parties, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Swing Line Note, including the terms and conditions under which this Swing Line Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

"Borrower"

MATRIX SERVICE COMPANY

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

SCHEDULE OF LOANS AND PAYMENTS OF PRINCIPAL  
TO SWING LINE NOTE  
DATED \_\_\_\_\_ ,  
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Date	Principal Amount of Loan	Maturity of Interest Period	Principal Amount Paid	Unpaid Balance
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EXHIBIT F  
SUBSIDIARY GUARANTY

THIS SUBSIDIARY GUARANTY (this "Guaranty") is made as of the \_\_\_ day of

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March, 2003, by MATRIX SERVICE INC., an Oklahoma corporation; MATRIX SERVICE MID-CONTINENT, INC., an Oklahoma corporation; MATRIX SERVICE, INC. CANADA, an Ontario, Canada corporation; HAKE ACQUISITION CORP., a Delaware corporation; HAKE GROUP, INC., a Delaware corporation; BOGAN, INC. (including Fiberspec, a division), a Pennsylvania corporation; FRANK W. HAKE, INC., a Pennsylvania corporation; HOVER SYSTEMS, INC., a Pennsylvania corporation; I & S, INC., a Pennsylvania corporation; MCBISH MANAGEMENT, INC., a Pennsylvania corporation; MECHANICAL CONSTRUCTION, INC., a Delaware corporation; MID-ATLANTIC CONSTRUCTORS, INC., a Pennsylvania corporation; TALBOT REALTY, INC., a Pennsylvania corporation; BISH INVESTMENTS, INC., a Delaware corporation; and I & S JOINT VENTURE, L.L.C., a Pennsylvania limited liability company (collectively, the "Subsidiary Guarantors") in favor of the Agent, for the benefit of the Lenders, under the Credit Agreement referred to below;

WITNESSETH:

WHEREAS, MATRIX SERVICE COMPANY, a Delaware corporation (the "Principal") and BANK ONE, OKLAHOMA, NA, a national banking association having its principal office in Tulsa, Oklahoma, as Agent (the "Agent"), and certain other Lenders from time to time party thereto have entered into a certain Credit Agreement dated as of even date herewith (as same may be amended or modified from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for extensions of credit to be made by the Lenders to the Principal;

WHEREAS, it is a condition precedent to the Agent and the Lenders the Credit Agreement that each of the Subsidiary Guarantors execute and deliver this Guaranty executing whereby each of the Subsidiary Guarantors shall guarantee the payment when due, subject to Section 9 hereof, of all Guaranteed Obligations, as defined below; and

WHEREAS, in consideration of the financial and other support that the Principal has provided, and such financial and other support as the Principal may in the future provide, to the Subsidiary Guarantors, and in order to induce the Lenders and the Agent to enter into the Credit Agreement, and the Lenders and their Affiliates to enter into one or more Rate Management Transactions with the Principal, and because each Subsidiary Guarantor has determined that executing this Guaranty is in its interest and to its financial benefit, each of the Subsidiary Guarantors is willing to guarantee the obligations of the Principal under the Credit Agreement, any Note, any Rate Management Transaction, and the other Loan Documents;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1.1. Selected Terms Used Herein.

"Guaranteed Obligations" is defined in Section 3 below.

"Rate Management Transaction" means any transaction (including an agreement with respect thereto) now existing or hereafter entered into between the Principal and any Lender or Affiliate thereof which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Rate Management Obligations" means any and all obligations of the Principal, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

SECTION 1.2. Terms in Credit Agreement. Other capitalized terms used herein but not defined herein shall have the meaning set forth in the Credit Agreement.

SECTION 2.1. Representations and Warranties. Each of the Subsidiary Guarantors represents and warrants (which representations and warranties shall be deemed to have been renewed upon each Borrowing Date under the Credit Agreement) that:

(a) It is a corporation, partnership or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(b) It has the power and authority and legal right to execute and deliver this Guaranty and to perform its obligations hereunder. The execution and delivery by it of this Guaranty and the performance of its obligations hereunder have been duly authorized by proper corporate proceedings, and this Guaranty constitutes a legal, valid and binding obligation of such Subsidiary Guarantor enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(c) Neither the execution and delivery by it of this Guaranty, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award

binding on it or any of its subsidiaries or (ii) its articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement, as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which it or any of its subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of such Subsidiary Guarantor or a subsidiary thereof pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by it or any of its subsidiaries, is required to be obtained by it or any of its subsidiaries in connection with the execution and delivery of this Guaranty or the performance by it of its obligations hereunder or the legality, validity, binding effect or enforceability of this Guaranty.

SECTION 2.2. Covenants. Each of the Subsidiary Guarantors covenants that, so long as any Lender has any Commitment outstanding under the Credit Agreement, any Rate Management Transaction remains in effect or any of the Guaranteed Obligations shall remain unpaid, that it will, and, if necessary, will enable the Principal to, fully comply with those covenants and agreements set forth in the Credit Agreement.

SECTION 3. The Guaranty. Subject to Section 9 hereof, each of the Subsidiary Guarantors hereby absolutely and unconditionally guarantees, as primary obligor and not as surety, the full and punctual payment (whether at stated maturity, upon acceleration or early termination or otherwise, and at all times thereafter) and performance of the Obligations and the Rate Management Obligations, including without limitation any such Obligations or Rate Management Obligations incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, whether or not allowed or allowable in such proceeding (collectively, subject to the provisions of Section 9 hereof, being referred to collectively as the "Guaranteed Obligations"). Upon failure by the Principal to pay punctually any such amount, each of the Subsidiary Guarantors agrees that it shall forthwith on demand pay to the Agent for the benefit of the Lenders and, if applicable, their Affiliates, the amount not so paid at the place and in the manner specified in the Credit Agreement, any Note, any Rate Management Transaction or the relevant Loan Document, as the case may be. This Guaranty is a guaranty of payment and not of collection. Each of the Subsidiary Guarantors waives any right to require the Lender to sue the Principal, any other guarantor, or any other person obligated for all or any part of the Guaranteed Obligations, or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 4. Guaranty Unconditional. Subject to Section 9 hereof, the obligations of each of the Subsidiary Guarantors hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(i) any extension, renewal, settlement, compromise, waiver or release in respect of any of the Guaranteed Obligations, by operation of law or otherwise, or any obligation of any

other guarantor of any of the Guaranteed Obligations, or any default, failure or delay, willful or otherwise, in the payment or performance of the Guaranteed Obligations;

(ii) any modification or amendment of or supplement to the Credit Agreement, any Note, any Rate Management Transaction or any other Loan Document;

(iii) any release, nonperfection or invalidity of any direct or indirect security for any obligation of the Principal under the Credit Agreement, any Note, the Security Agreement any Rate Management Transaction, any other Loan Document, or any obligations of any other guarantor of any of the Guaranteed Obligations, or any action or failure to act by the Agent, any Lender or any Affiliate of any Lender with respect to any collateral securing all or any part of the Guaranteed Obligations;

(iv) any change in the corporate existence, structure or ownership of the Principal or any other guarantor of any of the Guaranteed Obligations, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Principal, or any other guarantor of the Guaranteed Obligations, or its assets or any resulting release or discharge of any obligation of the Principal, or any other guarantor of any of the Guaranteed Obligations;

(v) the existence of any claim, setoff or other rights which the Subsidiary Guarantors may have at any time against the Principal, any other guarantor of any of the Guaranteed Obligations, the Agent, any Lender or any other Person, whether in connection herewith or any unrelated transactions;

(vi) any invalidity or unenforceability relating to or against the Principal, or any other guarantor of any of the Guaranteed Obligations, for any reason related to the Credit Agreement, any Rate Management Transaction, any other Loan Document, or any provision of applicable law or regulation purporting to prohibit the payment by the Principal, or any other guarantor of the Guaranteed Obligations, of the principal of or interest on any Note or any other amount payable by the Principal under the Credit Agreement, any Note, any Rate Management Transaction or any other Loan Document; or

(vii) any other act or omission to act or delay of any kind by the Principal, any other guarantor of the Guaranteed Obligations, the Agent, any Lender or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of any Subsidiary Guarantor's obligations hereunder.

SECTION 5. Discharge Only Upon Payment In Full: Reinstatement In Certain Circumstances. Each of the Subsidiary Guarantor's obligations hereunder shall remain in full force and effect until all Guaranteed Obligations shall have been indefeasibly paid in full, the Commitments under the Credit Agreement shall have terminated or expired and all Rate Management Transactions have terminated or expired. If at any time any payment of the principal of or interest on any Note or any other amount payable by the Principal or any other party under the Credit Agreement, any Rate Management Transaction or any other Loan Document is rescinded or

must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Principal or otherwise, each of the Subsidiary Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

SECTION 6. Waivers. Each of the Subsidiary Guarantors irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Principal, any other guarantor of any of the Guaranteed Obligations, or any other Person.

SECTION 7. Subrogation. Each of the Subsidiary Guarantors hereby agrees not to assert any right, claim or cause of action, including, without limitation, a claim for subrogation, reimbursement, indemnification or otherwise, against the Principal arising out of or by reason of this Guaranty or the obligations hereunder, including, without limitation, the payment or securing or purchasing of any of the Guaranteed Obligations by any of the Subsidiary Guarantors unless and until the Guaranteed Obligations are indefeasibly paid in full, any commitment to lend under the Credit Agreement and any other Loan Documents is terminated and all Rate Management Transactions have terminated or expired.

SECTION 8. Stay of Acceleration. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Principal, all such amounts otherwise subject to acceleration under the terms of the Credit Agreement, any Note, any Rate Management Transaction or any other Loan Document shall nonetheless be payable by each of the Subsidiary Guarantors hereunder forthwith on demand by the Agent made at the request of the Required Lenders.

SECTION 9. Limitation on Obligations. (a) The provisions of this Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under this Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Subsidiary Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by the Subsidiary Guarantors, the Agent or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Subsidiary Guarantor's "Maximum Liability"). This Section 9(a) with respect to the Maximum Liability of the Subsidiary Guarantors is intended solely to preserve the rights of the Agent hereunder to the maximum extent not subject to avoidance under applicable law, and neither the Subsidiary Guarantor nor any other person or entity shall have any right or claim under this Section 9(a) with respect to the Maximum Liability, except to the extent necessary so that the obligations of the Subsidiary Guarantor hereunder shall not be rendered voidable under applicable law.

(b) Each of the Subsidiary Guarantors agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Subsidiary Guarantor, and may exceed the aggregate Maximum Liability of all other Subsidiary Guarantors, without impairing

this Guaranty or affecting the rights and remedies of the Agent hereunder. Nothing in this Section 9(b) shall be construed to increase any Subsidiary Guarantor's obligations hereunder beyond its Maximum Liability.

(c) In the event any Subsidiary Guarantor (a "Paying Subsidiary Guarantor") shall make any payment or payments under this Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Guaranty, each other Subsidiary Guarantor (each a "Non-Paying Subsidiary Guarantor") shall contribute to such Paying Subsidiary Guarantor an amount equal to such Non-Paying Subsidiary Guarantor's "Pro Rata Share" of such payment or payments made, or losses suffered, by such Paying Subsidiary Guarantor. For the purposes hereof, each Non-Paying Subsidiary Guarantor's "Pro Rata Share" with respect to any such payment or loss by a Paying Subsidiary Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Subsidiary Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Subsidiary Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Subsidiary Guarantor from the Principal after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Subsidiary Guarantors hereunder (including such Paying Subsidiary Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Subsidiary Guarantors, the aggregate amount of all monies received by such Subsidiary Guarantors from the Principal after the date hereof (whether by loan, capital infusion or by other means). Nothing in this Section 9 (c) shall affect any Subsidiary Guarantor's several liability for the entire amount of the Guaranteed Obligations (up to such Subsidiary Guarantor's Maximum Liability). Each of the Subsidiary Guarantors covenants and agrees that its right to receive any contribution under this Guaranty from a Non-Paying Subsidiary Guarantor shall be subordinate and junior in right of payment to all the Guaranteed Obligations. The provisions of this Section 9(c) are for the benefit of both the Agent and the Subsidiary Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10. Application of Payments. All payments received by the Agent hereunder shall be applied by the Agent to payment of the Guaranteed Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

(a) FIRST, to payment of all costs and expenses of the Agent incurred in connection with the collection and enforcement of the Guaranteed Obligations or of any security interest granted to the Agent in connection with any collateral securing the Guaranteed Obligations;

(b) SECOND, to payment of that portion of the Guaranteed Obligations constituting accrued and unpaid interest and fees, pro rata among the Lenders and their Affiliates in accordance with the amount of such accrued and unpaid interest and fees owing to each of them;

(c) THIRD, to payment of the principal of the Guaranteed Obligations and the net early termination payments and any other Rate Management Obligations then due and unpaid from the Borrower to any of the Lenders or their Affiliates, pro rata among the Lenders and their Affiliates in accordance with the amount of such principal and such net early termination payments and other Rate Management Obligations then due and unpaid owing to each of them; and

(d) FOURTH, to payment of any Guaranteed Obligations (other than those listed above) pro rata among those parties to whom such Guaranteed Obligations are due in accordance with the amounts owing to each of them.

SECTION 11. Notices. All notices, requests and other communications to any party hereunder shall be given or made by telecopier or other writing and telecopied, or mailed or delivered to the intended recipient at its address or telecopier number set forth on the signature pages hereof or such other address or telecopy number as such party may hereafter specify for such purpose by notice to the Agent in accordance with the provisions of Article XIII of the Credit Agreement. Except as otherwise provided in this Guaranty, all such communications shall be deemed to have been duly given when transmitted by telecopier, or personally delivered or, in the case of a mailed notice sent by certified mail return-receipt requested, on the date set forth on the receipt (provided, that any refusal to accept any such notice shall be deemed to be notice thereof as of the time of any such refusal), in each case given or addressed as aforesaid.

SECTION 12. No Waivers. No failure or delay by the Agent or any Lenders in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Guaranty, the Credit Agreement, any Note, any Rate Management Transaction and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 13. No Duty to Advise. Each of the Subsidiary Guarantors assumes all responsibility for being and keeping itself informed of the Principal's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each of the Subsidiary Guarantors assumes and incurs under this Guaranty, and agrees that neither the Agent nor any Lender has any duty to advise any of the Subsidiary Guarantors of information known to it regarding those circumstances or risks.

SECTION 14. Successors and Assigns. This Guaranty is for the benefit of the Agent and the Lenders and their respective successors and permitted assigns and in the event of an assignment of any amounts payable under the Credit Agreement, any Note, any Rate Management Transaction, or the other Loan Documents, the rights hereunder, to the extent applicable to the indebtedness so assigned, shall be transferred with such indebtedness. This Guaranty shall be binding upon each of the Subsidiary Guarantors and their respective successors and permitted assigns.

SECTION 15. Changes in Writing. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by each of the Subsidiary Guarantors and the Agent with the consent of the Required Lenders.

SECTION 16. Costs of Enforcement. Each of the Subsidiary Guarantors agrees to pay all costs and expenses including, without limitation, all court costs and attorneys' fees and expenses paid or incurred by the Agent or any Lender or any Affiliate of any Lender in endeavoring to collect all or any part of the Guaranteed Obligations from, or in prosecuting any action against, the Principal, the Subsidiary Guarantors or any other guarantor of all or any part of the Guaranteed Obligations.

SECTION 17. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF OKLAHOMA. EACH OF THE SUBSIDIARY GUARANTORS HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF OKLAHOMA AND OF ANY OKLAHOMA STATE COURT SITTING IN TULSA, OKLAHOMA AND FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY (INCLUDING, WITHOUT LIMITATION, ANY OF THE OTHER LOAN DOCUMENTS) OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE SUBSIDIARY GUARANTORS IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE SUBSIDIARY GUARANTORS, AND THE AGENT AND THE LENDERS ACCEPTING THIS GUARANTY, HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 18. Taxes. etc. All payments required to be made by any of the Subsidiary Guarantors hereunder shall be made without setoff or counterclaim and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties or other charges of whatsoever nature imposed by any government or any political or taxing authority thereof (but excluding Excluded Taxes), provided, however, that if any of the Subsidiary Guarantors is required by law to make such deduction or withholding, such Subsidiary Guarantor shall forthwith (i) pay to the Agent or any Lender, as applicable, such additional amount as results in the net amount received by the Agent or any Lender, as applicable, equaling the full amount which would have been received by the Agent or any Lender, as applicable, had no such deduction or withholding been made, (ii) pay the full amount deducted to the relevant authority in accordance with applicable law, and (iii) furnish to the Agent or any Lender, as applicable, certified copies of official receipts evidencing payment of such withholding taxes within 30 days after such payment is made.

SECTION 19. Setoff. Without limiting the rights of the Agent or the Lenders under applicable law, if all or any part of the Guaranteed Obligations is then due, whether pursuant to the occurrence of a Default or otherwise, then the Guarantor authorizes the Agent and the Lenders to apply any sums standing to the credit of the Guarantor with the Agent or any Lender or any Lending Installation of the Agent or any Lender toward the payment of the Guaranteed Obligations.

IN WITNESS WHEREOF, each of the Subsidiary Guarantors has caused this Guaranty to be duly executed, under seal, by its authorized officer as of the day and year first above written.

MATRIX SERVICE INC.,  
an Oklahoma corporation

By: -----  
Name: -----  
Title: -----

MATRIX SERVICE MID-CONTINENT,  
INC., an Oklahoma corporation

By: -----  
Name: -----  
Title: -----

MATRIX SERVICE, INC. CANADA,  
an Ontario, Canada corporation

By: -----  
Name: -----  
Title: -----

HAKE ACQUISITION CORP.,  
a Delaware corporation

By: -----  
Name: -----  
Title: -----

HAKE GROUP, INC.,  
a Delaware corporation

By: -----  
Name: -----  
Title: -----

BOGAN, INC. (including Fiberspec, a  
division), a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

FRANK W. HAKE, INC.,  
a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

HOVER SYSTEMS, INC.,  
a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

I & S, INC.,  
a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

MCBISH MANAGEMENT, INC.,  
a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

MECHANICAL CONSTRUCTION, INC.,  
a Delaware corporation

By: -----  
Name: -----  
Title: -----

MID-ATLANTIC CONSTRUCTORS, INC.,  
a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

TALBOT REALTY, INC.,  
a Pennsylvania corporation

By: -----  
Name: -----  
Title: -----

BISH INVESTMENTS, INC.,  
a Delaware corporation

By: -----  
Name: -----  
Title: -----

I & S JOINT VENTURE, L.L.C., a  
Pennsylvania limited liability company

By: -----  
Name: -----  
Title: -----

EXHIBIT G  
PLEDGE AND SECURITY AGREEMENT  
(Borrower)

THIS PLEDGE AND SECURITY AGREEMENT is entered into as of March     , 2003 by  
---  
and between MATRIX SERVICE COMPANY, a Delaware corporation (the "Borrower"),  
and BANK ONE, OKLAHOMA, NA, a national banking association having its principal  
office in Tulsa, Oklahoma, in its capacity as agent (the "Agent") for the  
lenders party to the Credit Agreement referred to below.

PRELIMINARY STATEMENT

The Borrower, the Agent and the Lenders are entering into a Credit  
Agreement dated as of March     , 2003 (as it may be amended or modified from  
----  
time to time, the "Credit Agreement"). The Borrower is entering into this Pledge  
and Security Agreement (as it may be amended or modified from time to time, the  
"Security Agreement") in order to induce the Lenders to enter into and extend  
credit to the Borrower under the Credit Agreement.

ACCORDINGLY, the Borrower and the Agent, on behalf of the Lenders, hereby  
agree as follows:

ARTICLE I

DEFINITIONS

1.1 Terms Defined in Credit Agreement. All capitalized terms used herein  
and not otherwise defined shall have the meanings assigned to such terms in the  
Credit Agreement.

1.2 Terms Defined in Oklahoma Uniform Commercial Code. Terms defined in the  
Oklahoma UCC which are not otherwise defined in this Security Agreement are used  
herein as defined in the Oklahoma UCC.

1.3 Definitions of Certain Terms Used Herein. As used in this Security  
Agreement, in addition to the terms defined in the Preliminary Statement, the  
following terms shall have the following meanings:

"Accounts" shall have the meaning set forth in Article 9 of the Oklahoma  
UCC.

"Article" means a numbered article of this Security Agreement, unless  
another document is specifically referenced.

"Chattel Paper" shall have the meaning set forth in Article 9 of the  
Oklahoma UCC.

"Collateral" means all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Pledged Deposits, and Other Collateral, wherever located, in which the Borrower now has or hereafter acquires any right or interest, and the Proceeds (including Stock Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

"Commercial Tort Claims" means existing or subsequently arising commercial tort claims of the Borrower, including without limitation those set forth on Exhibit "F" hereto.

"Control" shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the Oklahoma UCC.

"Default" means an event described in Section 5.1.

"Deposit Accounts" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Documents" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Equipment" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"Fixtures" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"General Intangibles" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Oklahoma UCC" means the Oklahoma Uniform Commercial Code as in effect from time to time.

"Instruments" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Inventory" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Investment Property" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Lenders" means the lenders party to the Credit Agreement and their successors and assigns.

"Obligations" means any and all existing and future indebtedness, obligation and liability of every kind, nature and character, direct or indirect, absolute or contingent (including all renewals, extensions and modifications thereof and all fees, costs and expenses incurred by the

Agent or the Lenders in connection with the preparation, administration, collection or enforcement thereof), of the Company to the Agent or any Lender or any branch, subsidiary or affiliate thereof, arising under or pursuant to this Security Agreement, the Credit Agreement and any promissory note or notes now or hereafter issued under the Credit Agreement.

"Other Collateral" means any property of the Borrower, other than real estate, not included within the defined terms Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Instruments, Inventory, Investment Property and Pledged Deposits, including, without limitation, all cash on hand, letter-of-credit rights, letters of credit, Stock Rights and Deposit Accounts or other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, it being intended that the Collateral include all property of the Borrower other than real estate.

"Pledged Deposits" means all time deposits of money (other than Deposit Accounts and Instruments), whether or not evidenced by certificates, which the Borrower may from time to time designate as pledged to the Agent or to any Lender as security for any Obligation, and all rights to receive interest on said deposits.

"Proceeds" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Receivables" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments or Pledged Deposits, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

"Required Secured Parties" means (x) prior to an acceleration of the obligations under the Credit Agreement, the Required Lenders, (y) after an acceleration of the obligations under the Credit Agreement but prior to the date upon which the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full, Lenders and their Affiliates holding in the aggregate at least 66 2/3% of the total of (i) the unpaid principal amount of outstanding Advances and (ii) the aggregate net early termination payments and all other amounts then due and unpaid from the Company to the Lenders or their Affiliates under Rate Management Transactions, as determined by the Agent in its reasonable discretion, and (z) after the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full (whether or not the obligations under the Credit Agreement were ever accelerated), Lenders and their Affiliates holding in the aggregate at least 66 2/3% of the aggregate net early termination payments and all other amounts then due and unpaid from the Company to the Lenders or their Affiliates under Rate Management Transactions, as determined by the Agent in its reasonable discretion.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Secured Obligations" means the Obligations and Rate Management Obligations entered into with one or more of the Lenders or their Affiliates.

"Security" has the meaning set forth in Article 8 of the Oklahoma UCC.

"Stock Rights" means any securities, dividends or other distributions and any other right or property which the Borrower shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral and any securities, any right to receive securities and any right to receive earnings, in which the Borrower now has or hereafter acquires any right, issued by an issuer of such securities.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

## ARTICLE II

### GRANT OF SECURITY INTEREST

The Borrower hereby pledges, assigns and grants to the Agent, on behalf of and for the ratable benefit of the Lenders and (to the extent specifically provided herein) their Affiliates, a security interest in all of the Borrower's right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders that:

3.1. Title, Authorization, Validity and Enforceability. The Borrower has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1.6, and has full power and authority to grant to the Agent the security interest in such Collateral pursuant hereto. The execution and delivery by the Borrower of this Security Agreement has been duly authorized by proper corporate proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of the Borrower and creates a security interest which is enforceable against the Borrower in all now owned and hereafter acquired Collateral. When financing statements have been filed in the appropriate offices against the Borrower in the locations listed on Exhibit "F", the Agent will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1.6.

3.2. Conflicting Laws and Contracts. Neither the execution and delivery by the Borrower of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or the Borrower's articles or certificate of incorporation or by-laws or other origination documents, the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of the Agent on behalf of the Lenders).

3.3. Type and Jurisdiction of Organization. The Borrower is a corporation organized under the laws of the State of Delaware.

3.4. Principal Location. The Borrower's mailing address and the location of its place of business (if it has only one) or its chief executive office is disclosed in Exhibit "A"; the Borrower has no other places of business except those set forth in Exhibit "A".

3.5. Property Locations. Upon request by Agent, Borrower shall deliver to Agent a current list of the locations of all Inventory, Equipment and Fixtures. All of said locations must be owned by the Borrower except for locations (i) which are leased by the Borrower as lessee and designated in Part B of Exhibit "A" and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part C of Exhibit "A", with respect to which Inventory the Borrower has delivered bailment agreements, warehouse receipts, financing statements or other documents satisfactory to the Lenders to protect the Agent's and the Lenders' security interest in such Inventory.

3.6. No Other Names. The Borrower has not conducted business under any name except the name in which it has executed this Security Agreement, which is the exact name as it appears in the Borrower's organizational documents, as amended, as filed with the Borrower's jurisdiction of organization.

3.7. No Default. No Default or Unmatured Default exists.

3.8. Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper are and will be correctly stated in all records of the Borrower relating thereto and in all invoices and reports with respect thereto furnished to the Agent by the Borrower from time to time. As of the time when each Account or each item of Chattel Paper arises, the Borrower shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all respects what they purport to be.

3.9. Filing Requirements. None of the Equipment is covered by any certificate of title, except for the vehicles described in Part A of Exhibit "B". None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for

(i) the vehicles described in Part B of Exhibit "B" and (ii) patents, trademarks and copyrights held by the Borrower and described in Part C of Exhibit "B". The legal description, county and street address of the property on which any Fixtures are located is set forth in Exhibit "C" together with the name and address of the record owner of each such property.

3.10. No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Borrower as debtor has been filed in any jurisdiction except (i) financing statements naming the Agent on behalf of the Lenders as the secured party, (ii) as described in Exhibit "D", and (iii) as permitted by Section 4.1.6.

3.11. Federal Employer Identification Number. The Borrower's Federal employer identification number is \_\_\_\_\_.

3.12. State Organization Number. If the Borrower is a registered organization, the Borrower's State organization number is \_\_\_\_\_.

3.13. Pledged Securities and Other Investment Property. Exhibit "E" sets forth a complete and accurate list of the Instruments, Securities and other Investment Property delivered to the Agent. The Borrower is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed on Exhibit "E" as being owned by it, free and clear of any Liens, except for the security interest granted to the Agent for the benefit of the Lenders hereunder. The Grantor further represents and warrants that (i) all such Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable and (ii) with respect to any certificates delivered to the Agent representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the Uniform Commercial Code of the applicable jurisdiction as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, the Grantor has so informed the Agent so that the Agent may take steps to perfect its security interest therein as a General Intangible.

ARTICLE IV  
COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated:

4.1. General.

4.1.1. Inspection. The Borrower will permit the Agent or any Lender, by its representatives and agents (i) to inspect the Collateral, (ii) to examine and make copies of the records of the Borrower relating to the Collateral and (iii) to discuss the Collateral

and the related records of the Borrower with, and to be advised as to the same by, the Borrower's officers and employees (and, in the case of any Receivable, with any person or entity which is or may be obligated thereon), all at such reasonable times and intervals as the Agent or such Lender may determine, and all at the Borrower's expense.

4.1.2. Taxes. The Borrower will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

4.1.3. Records and Reports; Notification of Default. The Borrower will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Agent, with sufficient copies for each of the Lenders, such reports relating to the Collateral as the Agent shall from time to time request. The Borrower will give prompt notice in writing to the Agent and the Lenders of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which might materially and adversely affect the Collateral.

4.1.4. Financing Statements and Other Actions; Defense of Title. The Borrower hereby authorizes the Agent to file electronically or otherwise, and if requested will execute and deliver to the Agent, all financing statements and other documents and take such other actions as may from time to time be requested by the Agent in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral. The Borrower will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Agent in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

4.1.5. Disposition of Collateral. The Borrower will not sell, lease or otherwise dispose of the Collateral except (i) prior to the occurrence of a Default or Unmatured Default, dispositions specifically permitted pursuant to Section 6.13 of the Credit Agreement, (ii) until such time following the occurrence of a Default as the Borrower receives a notice from the Agent instructing the Borrower to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii) until such time as the Borrower receives a notice from the Agent pursuant to Article VII, proceeds of Inventory and Accounts collected in the ordinary course of business.

4.1.6. Liens. The Borrower will not create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, (ii) existing Liens described in Exhibit "D" and (iii) other Liens permitted pursuant to Section 6.15 of the Credit Agreement.

4.1.7. Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. The Borrower will:

- (a) preserve its existence as a corporation and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets;
- (b) not change its state of organization;

unless the Borrower shall have given the Agent not less than 30 days' prior written notice of such event or occurrence and the Agent shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Agent's security interest in the Collateral, or (y) taken such steps (with the cooperation of the Borrower to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Agent's security interest in the Collateral.

4.1.8. Other Financing Statements. The Grantor will not sign or authorize the signing on its behalf or the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 4.1.6.

#### 4.2 Receivables.

4.2.1. Certain Agreements on Receivables. The Borrower will not make or agree to make any change order(s), discount, credit, rebate or other reduction in the original amount owing on a Receivable (other than those reasonably deemed necessary and appropriate by Borrower which would not cause a Mandatory Prepayment under Section 2.7.2(iv) of the Credit Agreement) or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of a Default, the Borrower may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

4.2.2. Collection of Receivables. Except as otherwise provided in this Security Agreement, the Borrower will collect and enforce, at the Borrower's sole expense, all amounts due or hereafter due to the Borrower under the Receivables.

4.2.3. Delivery of Invoices. The Borrower will deliver to the Agent immediately upon its request after the occurrence of a Default duplicate invoices with respect to each Account bearing such language of assignment as the Agent shall specify.

4.2.4. Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement permitted in Section 4.2.1. to make a rebate or to otherwise reduce the amount owing on a Receivable exists or (ii) if, to the knowledge of the Borrower, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, the Borrower will disclose such fact to the Agent in writing in connection with the inspection by the Agent of any record of the Borrower relating to such Receivable and in connection with any invoice or report furnished by the Borrower to the Agent relating to such Receivable.

#### 4.3 Inventory and Equipment.

4.3.1. Maintenance of Goods. The Borrower will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition.

4.3.2. Insurance. The Borrower will (i) maintain fire and extended coverage insurance on the Inventory and Equipment containing a lender's loss payable clause in favor of the Agent, on behalf of the Lenders, and providing that said insurance will not be terminated except after at least 30 days' written notice from the insurance company to the Agent, (ii) maintain such other insurance on the Collateral for the benefit of the Agent as the Agent shall from time to time request, (iii) furnish to the Agent upon the request of the Agent from time to time the originals of all policies of insurance on the Collateral and certificates with respect to such insurance and (iv) maintain general liability insurance naming the Agent, on behalf of the Lenders, as an additional insured.

4.3.3. Titled Vehicles. The Borrower will give the Agent notice of its acquisition of any vehicle covered by a certificate of title and deliver to the Agent, upon request, the original of any vehicle title certificate and do all things necessary to have the Lien of the Agent noted on any such certificate.

4.4. Instruments, Securities, Chattel Paper, Documents and Pledged Deposits. The Borrower will (i) deliver to the Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist), (ii) hold in trust for the Agent upon receipt and immediately thereafter deliver to the Agent any Chattel Paper, Securities and Instruments constituting Collateral, (iii) upon the designation of any Pledged Deposits (as set forth in the definition thereof), deliver to the Agent such Pledged Deposits which are evidenced by certificates included in the Collateral endorsed in blank, marked with such legends and assigned as the Agent shall specify, and (iv) upon the Agent's request, after the occurrence and during the continuance of a Default, deliver to the Agent (and thereafter hold in trust for the Agent upon receipt and immediately deliver to the Agent) any Document evidencing or constituting Collateral.

4.5. Uncertificated Securities and Certain Other Investment Property. The Borrower will permit the Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Collateral to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Agent granted pursuant to this Security Agreement. The Borrower will take any actions necessary to cause (i) the issuers of uncertificated securities which are Collateral and which are Securities and (ii) any financial intermediary which is the holder of any Investment Property, to cause the Agent to have and retain Control over such Securities or other Investment Property. Without limiting the foregoing, the Borrower will, with respect to

Investment Property held with a financial intermediary, cause such financial intermediary to enter into a control agreement with the Agent in form and substance satisfactory to the Agent.

#### 4.6. Stock and Other Ownership Interests.

4.6.1. Changes in Capital Structure of Issuers. Except as permitted in the Credit Agreement, the Borrower will not (i) permit or suffer any issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to dissolve, liquidate, retire any of its capital stock or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (ii) vote any of the Instruments, Securities or other Investment Property in favor of any of the foregoing.

4.6.2. Issuance of Additional Securities. The Borrower will not permit or suffer the issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to issue any such securities or other ownership interests, any right to receive the same or any right to receive earnings, except to the Borrower.

4.6.3. Registration of Pledged Securities and other Investment Property. The Borrower will permit any registerable Collateral to be registered in the name of the Agent or its nominee at any time at the option of the Required Secured Parties.

4.6.4. Exercise of Rights in Pledged Securities and other Investment Property. The Borrower will permit the Agent or its nominee at any time after the occurrence of a Default, without notice, to exercise all voting and corporate rights relating to the Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any corporate securities or other ownership interests or Investment Property in or of a corporation, partnership, joint venture or limited liability company constituting Collateral and the Stock Rights as if it were the absolute owner thereof.

4.7. Pledged Deposits. The Borrower will not withdraw all or any portion of any Pledged Deposit or fail to rollover said Pledged Deposit without the prior written consent of the Agent.

4.8. Deposit Accounts. The Borrower will (i) upon the Agent's request, cause each bank or other financial institution in which it maintains (a) a Deposit Account to enter into a control agreement with the Agent, in form and substance satisfactory to the Agent in order to give the Agent Control of the Deposit Account or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Agent hereunder and cause each such bank or other financial institution to acknowledge such notification in writing and (ii) upon the Agent's request [after the occurrence and during the continuance of a Default], deliver to each such bank or other financial institution a letter, in form and substance acceptable to the Agent, transferring ownership of the Deposit Account to the

Agent or transferring dominion and control over each such other deposit to the Agent until such time as no Default exists. In the case of deposits maintained with Lenders, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

4.9. Letter-of-Credit Rights. The Borrower will upon the Agent's request, cause each issuer of a letter of credit, to consent to the assignment of proceeds of the letter of credit in order to give the Agent Control of the letter-of-credit rights to such letter of credit.

4.10. Federal, State or Municipal Claims. The Grantor will notify the Agent of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

#### ARTICLE V DEFAULT

5.1. The occurrence of any one or more of the following events shall constitute a Default:

5.1.1. Any representation or warranty made by or on behalf of the Borrower under or in connection with this Security Agreement shall be materially false as of the date on which made.

5.1.2. The breach by the Borrower of any of the terms or provisions of Article IV or Article VII.

5.1.3. The breach by the Borrower (other than a breach which constitutes a Default under Section 5.1.1 or 5.1.2) of any of the terms or provisions of this Security Agreement which is not remedied within 10 days after the giving of written notice to the Borrower by the Agent.

5.1.4. Any material portion of the Collateral shall be transferred or otherwise disposed of, either voluntarily or involuntarily, in any manner not permitted by Section 4.1.5 or 8.7 or shall be lost, stolen, damaged or destroyed.

5.1.5. Any Secured Obligation shall not be paid when due, whether at stated maturity, upon acceleration, or otherwise.

5.1.6. The occurrence of any "Default" under, and as defined in, the Credit Agreement.

5.1.7. Any limited partnership interests or ownership interests in a limited liability company which are included within the Collateral shall at any time constitute a Security or the issuer of any such interests shall take any action to have such interests

treated as a Security unless (i) all certificates or other documents constituting such Security have been delivered to the Agent and such Security is properly defined as such under Article 8 of the Uniform Commercial Code of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise, or (ii) the Agent has entered into a control agreement with the issuer of such Security or with a securities intermediary relating to such Security and such Security is defined as such under Article 8 of the Uniform Commercial Code of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise.

5.2. Acceleration and Remedies. Upon the acceleration of the obligations under the Credit Agreement pursuant to Section 8.1 thereof, the Obligations and, to the extent provided for under the Rate Management Transactions evidencing the same, the Rate Management Obligations, shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Agent may, with the concurrence or at the direction of the Required Secured Parties, exercise any or all of the following rights and remedies:

5.2.1. Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document, provided that this Section 5.2.1 shall not be understood to limit any rights or remedies available to the Agent and the Lenders prior to a Default.

5.2.2. Those rights and remedies available to a secured party under the Oklahoma UCC (whether or not the Oklahoma UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

5.2.3. Without notice except as specifically provided in Section 8.1 or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable.

The Agent, on behalf of the secured parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

If, after the Credit Agreement has terminated by its terms and all of the Obligations have been paid in full, there remain Rate Management Obligations outstanding, the Required Secured Parties may exercise the remedies provided in this Section 5.2 upon the occurrence of any event which would allow or require the termination or acceleration of any Rate Management Obligations pursuant to the terms of the agreement governing any Rate Management Transaction.

5.3. Debtor's Obligations Upon Default. Upon the request of the Agent after the occurrence of a Default, the Borrower will:

5.3.1. Assembly of Collateral. Assemble and make available to the Agent the Collateral and all records relating thereto at any place or places specified by the Agent.

5.3.2. Secured Party Access. Permit the Agent, by the Agent's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

5.4. License. The Agent is hereby granted a license or other right to use, following the occurrence and during the continuance of a Default, without charge, the Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and, following the occurrence and during the continuance of a Default, the Borrower's rights under all licenses and all franchise agreements shall inure to the Agent's benefit. In addition, the Borrower hereby irrevocably agrees that the Agent may, following the occurrence and during the continuance of a Default, sell any of the Borrower's Inventory directly to any person, including without limitation persons who have previously purchased the Borrower's Inventory from the Borrower and in connection with any such sale or other enforcement of the Agent's rights under this Agreement, may sell Inventory which bears any trademark owned by or licensed to the Borrower and any Inventory that is covered by any copyright owned by or licensed to the Borrower and the Agent may finish any work in process and affix any trademark owned by or licensed to the Borrower and sell such Inventory as provided herein.

ARTICLE VI  
WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Agent or any Lender to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Agent with the concurrence or at the direction of the Lenders required under Section 8.2 of the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Agent and the Lenders until the Secured Obligations have been paid in full.

ARTICLE VII  
PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes. Upon request of the Agent after the occurrence of a Default or Unmatured Default, the Borrower shall execute and deliver to the Agent irrevocable lockbox agreements in the form provided by or otherwise acceptable to the Agent, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of the Agent granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Agent.

7.2. Collection of Receivables. The Agent may at any time after the occurrence of a Default, by giving the Borrower written notice, elect to require that the Receivables be paid directly to the Agent for the benefit of the Lenders. In such event, the Borrower shall, and shall permit the Agent to, promptly notify the account debtors or obligors under the Receivables of the Lenders' interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to the Agent. Upon receipt of any such notice from the Agent, the Borrower shall thereafter hold in trust for the Agent, on behalf of the Lenders, all amounts and proceeds received by it with respect to the Receivables and Other Collateral and immediately and at all times thereafter deliver to the Agent all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Agent shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

7.3. Special Collateral Account. The Agent may require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Agent and held there as security for the Secured Obligations. The Borrower shall have no control whatsoever over said cash collateral account. If no Default or Unmatured Default has occurred or is continuing, the Agent shall from time to time deposit the collected balances in said cash collateral account into the Borrower's general operating account with the Agent. If any Default or Unmatured Default has occurred and is continuing, the Agent may (and shall, at the direction of the Required Lenders, from time to time, apply the collected balances in said cash collateral account to the payment of the Secured Obligations whether or not the Secured Obligations shall then be due.

7.4. Application of Proceeds. The proceeds of the Collateral shall be applied by the Agent to payment of the Secured Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

(a) FIRST, to payment of all costs and expenses of the Agent incurred in connection with the collection and enforcement of the Secured Obligations or of the security interest granted to the Agent pursuant to this Security Agreement;

(b) SECOND, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest and fees, pro rata among the Lenders and their

Affiliates in accordance with the amount of such accrued and unpaid interest and fees owing to each of them;

(c) THIRD, to payment of the principal of the Secured Obligations and the net early termination payments and any other Rate Management Obligations then due and unpaid from the Borrower to any of the Lenders or their Affiliates, pro rata among the Lenders and their Affiliates in accordance with the amount of such principal and such net early termination payments and other Rate Management Obligations then due and unpaid owing to each of them;

(d) FOURTH, to payment of any Secured Obligations (other than those listed above) pro rata among those parties to whom such Secured Obligations are due in accordance with the amounts owing to each of them; and

(e) FIFTH, the balance, if any, after all of the Secured Obligations have been satisfied, shall be deposited by the Agent into the Borrower's general operating account with the Agent.

ARTICLE VIII  
GENERAL PROVISIONS

8.1. Notice of Disposition of Collateral; Condition of Collateral. The Borrower hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Borrower, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

8.2. Compromises and Collection of Collateral. The Borrower and the Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, the Borrower agrees that the Agent may at any time and from time to time, if a Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Agent shall be commercially reasonable so long as the Agent acts in good faith based on information known to it at the time it takes any such action.

8.3. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, the Agent may perform or pay any obligation which the Borrower has agreed to perform or pay in this Security Agreement and the Borrower shall reimburse the Agent for any

amounts paid by the Agent pursuant to this Section 8.3. The Borrower's obligation to reimburse the Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.4. Authorization for Secured Party to Take Certain Action. The Borrower irrevocably authorizes the Agent at any time and from time to time in the sole discretion of the Agent and appoints the Agent as its attorney in fact (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the Agent's security interest in the Collateral, (ii) to indorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Agent's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Collateral and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give the Agent Control over such Securities or other Investment Property, (v) subject to the terms of Section 4.1.5, to enforce payment of the Receivables in the name of the Agent or the Borrower, (vi) to apply the proceeds of any Collateral received by the Agent to the Secured Obligations as provided in Article VII and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), and the Borrower agrees to reimburse the Agent on demand for any payment made or any expense incurred by the Agent in connection therewith, provided that this authorization shall not relieve the Borrower of any of its obligations under this Security Agreement or under the Credit Agreement.

8.5. Specific Performance of Certain Covenants. The Borrower acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1.5, 4.1.6, 4.4, 5.3, or 8.7 or in Article VII will cause irreparable injury to the Agent and the Lenders, that the Agent and Lenders have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Agent or the Lenders to seek and obtain specific performance of other obligations of the Borrower contained in this Security Agreement, that the covenants of the Borrower contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Borrower.

8.6. Use and Possession of Certain Premises. Upon the occurrence of a Default, the Agent shall be entitled to occupy and use any premises owned or leased by the Borrower where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay the Borrower for such use and occupancy.

8.7. Dispositions Not Authorized. The Borrower is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1.5 and notwithstanding any course of dealing between the Borrower and the Agent or other conduct of the Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1.5) shall be binding

upon the Agent or the Lenders unless such authorization is in writing signed by the Agent with the consent or at the direction of the Required Lenders.

8.8. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Borrower, the Agent and the Lenders and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the Borrower shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Agent.

8.9. Survival of Representations. All representations and warranties of the Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.10. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Borrower, together with interest and penalties, if any. The Borrower shall reimburse the Agent for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Agent) paid or incurred by the Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Borrower in the performance of actions required pursuant to the terms hereof shall be borne solely by the Borrower.

8.11. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.12. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of the Agent or the Lenders which would give rise to any Secured Obligations are outstanding.

8.13. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Borrower and the Agent relating to the Collateral and supersedes all prior agreements and understandings between the Borrower and the Agent relating to the Collateral.

8.14. CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF OKLAHOMA, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

8.15. Distribution of Reports. The Borrower authorizes the Agent, as the Agent may elect in its sole discretion, to discuss with and furnish to its affiliates and to the Lenders or to any other person or entity having an interest in the Secured Obligations (whether as a guarantor, pledgor of collateral, participant or otherwise) all financial statements, audit reports and other information pertaining to the Borrower and its Subsidiaries whether such information was provided by the Borrower or prepared or obtained by the Agent. Neither the Agent nor any of its employees, officers, directors or agents makes any representation or warranty regarding any audit reports or other analyses of the Borrower's and its Subsidiaries' condition which the Agent may in its sole discretion prepare and elect to distribute, nor shall the Agent or any of its employees, officers, directors or agents be liable to any person or entity receiving a copy of such reports or analyses for any inaccuracy or omission contained in or relating thereto.

8.16. Indemnity. The Borrower hereby agrees to indemnify the Agent and the Lenders, and their respective successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent or any Lender is a party thereto) imposed on, incurred by or asserted against the Agent or the Lenders, or their respective successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Agent or the Lenders or the Borrower, and any claim for patent, trademark or copyright infringement).

#### ARTICLE IX NOTICES

9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Article XIII of the Credit Agreement.

9.2. Change in Address for Notices. Each of the Borrower, the Agent and the Lenders may change the address for service of notice upon it by a notice in writing to the other parties.

#### ARTICLE X THE AGENT

Bank One, Oklahoma, NA has been appointed Agent for the Lenders hereunder pursuant to Article X of the Credit Agreement. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Agent hereunder is subject to the terms of the delegation of authority made by the Lenders to the Agent pursuant to the Credit Agreement, and that the Agent has agreed to act (and any successor Agent shall act) as such



EXHIBIT "A"

(See Sections 3.3, 3.4, 3.5, 4.1.7 and 9.1 of Security Agreement)

Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:

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Attention:

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Locations of Inventory and Equipment and Fixtures:

A. Properties Owned by the Borrower:

B. Properties Leased by the Borrower (Include Landlord's Name):

C. Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

EXHIBIT "B"  
(See Section 3.9 of Security Agreement)

A. Vehicles subject to certificates of title:

Description	Title Number & State Where Issued
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B. Aircraft/engines, ships, railcars and other vehicles governed by federal statute:

Description	Registration Number
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C. Patents, copyrights, trademarks protected under federal law\*:

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\*For (i) trademarks, show the trademark itself, the registration date and the registration number; (ii) trademark applications, show the trademark applied for, the application filing date and the serial number of the application; (iii) patents, show the patent number, issue date and a brief description of the subject matter of the patent; and (iv) patent applications, show the serial number of the application, the application filing date and a brief description of the subject matter of the patent applied for. Any licensing agreements for patents or trademarks should be described on a separate schedule.

EXHIBIT "C"  
(See Section 3.9 of Security Agreement)

Legal description, county and street address of property on which Fixtures  
are located:

Name and Address of Record Owner:

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EXHIBIT "D"  
(See Sections 3.10 and 4.1.6 of Security Agreement)

EXISTING LIENS ON THE COLLATERAL

Secured Party	Collateral	Principal Balance	Maturity
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EXHIBIT "E"

List of Pledged Securities  
(See Section 3.13 of Security Agreement)

A. STOCKS:

Issuer	Certificate Number	Number of Shares
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B. BONDS:

Issuer	Number	Face Amount	Coupon Rate	Maturity
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C. GOVERNMENT SECURITIES:

Issuer	Number	Type	Face Amount	Coupon Rate	Maturity
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D. OTHER SECURITIES OR OTHER INVESTMENT PROPERTY (CERTIFICATED AND  
UNCERTIFICATED):

Issuer	Interest	Description of Collateral	Percentage Ownership
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EXHIBIT "F"  
COMMERCIAL TORT CLAIMS

PLEDGE AND SECURITY AGREEMENT  
(Subsidiary)

THIS PLEDGE AND SECURITY AGREEMENT is entered into as of March \_\_\_\_\_, 2003

by and between \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Grantor"), and BANK ONE, OKLAHOMA, NA, a national banking association having its principal office in Tulsa, Oklahoma, in its capacity as agent (the "Agent") for the Lenders party to the Credit Agreement referred to below.

PRELIMINARY STATEMENT

MATRIX SERVICE COMPANY, a Delaware corporation ("Company"), the Agent and the Lenders are entering into a Credit Agreement dated as of March \_\_\_\_\_, 2003 (as it may be amended or modified from time to time, the "Credit Agreement"). The Grantor is entering into this Pledge and Security Agreement (as it may be amended or modified from time to time, the "Security Agreement") in order to induce the Lenders to enter into and extend credit to the Company under the Credit Agreement.

ACCORDINGLY, the Grantor and the Agent, on behalf of the Lenders, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1. Terms Defined in Credit Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

1.2. Terms Defined in Oklahoma Uniform Commercial Code. Terms defined in the Oklahoma UCC which are not otherwise defined in this Security Agreement are used herein as defined in the Oklahoma UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

"Accounts" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Chattel Paper" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Collateral" means all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Pledged Deposits, and Other Collateral, wherever located, in which the Grantor now has or hereafter acquires any right or interest, and the Proceeds (including Stock Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

"Commercial Tort Claims" means existing or subsequently arising commercial tort claims of the Grantor, including without limitation those set forth on Exhibit "F" hereto.

"Control" shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the Oklahoma UCC.

"Default" means an event described in Section 5.1.

"Deposit Accounts" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Documents" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Equipment" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"Fixtures" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"General Intangibles" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Oklahoma UCC" means the Oklahoma Uniform Commercial Code as in effect from time to time.

"Instruments" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Inventory" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Investment Property" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Lenders" means the lenders party to the Credit Agreement and their successors and assigns.

"Obligations" means any and all existing and future indebtedness, obligation and liability of every kind, nature and character, direct or indirect, absolute or contingent (including all

renewals, extensions and modifications thereof and all fees, costs and expenses incurred by the Agent or the Lenders in connection with the preparation, administration, collection or enforcement thereof), of the Company to the Agent or any Lender or any branch, subsidiary or affiliate thereof, arising under or pursuant to this Security Agreement, the Credit Agreement and any promissory note or notes now or hereafter issued under the Credit Agreement.

"Other Collateral" means any property of the Grantor, other than real estate, not included within the defined terms Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Instruments, Inventory, Investment Property and Pledged Deposits, including, without limitation, all cash on hand, letter-of-credit rights, letters of credit, Stock Rights and Deposit Accounts or other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, it being intended that the Collateral include all property of the Grantor other than real estate.

"Pledged Deposits" means all time deposits of money (other than Deposit Accounts and Instruments), whether or not evidenced by certificates, which the Grantor may from time to time designate as pledged to the Agent or to any Lender as security for any Obligation, and all rights to receive interest on said deposits.

"Proceeds" shall have the meaning set forth in Article 9 of the Oklahoma UCC.

"Receivables" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments or Pledged Deposits, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

"Required Secured Parties" means (x) prior to an acceleration of the obligations under the Credit Agreement, the Required Lenders, (y) after an acceleration of the obligations under the Credit Agreement but prior to the date upon which the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full, Lenders and their Affiliates holding in the aggregate at least 66 2/3% of the total of (i) the unpaid principal amount of outstanding Advances and (ii) the aggregate net early termination payments and all other amounts then due and unpaid from the Company to the Lenders or their Affiliates under Rate Management Transactions, as determined by the Agent in its reasonable discretion, and (z) after the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full (whether or not the obligations under the Credit Agreement were ever accelerated), Lenders and their Affiliates holding in the aggregate at least 66 2/3% of the aggregate net early termination payments and all other amounts then due and unpaid from the Company to the Lenders or their Affiliates under Rate Management Transactions, as determined by the Agent in its reasonable discretion.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Secured Obligations" means the Obligations and Rate Management Obligations entered into with one or more of the Lenders or their Affiliates.

"Security" has the meaning set forth in Article 8 of the Oklahoma UCC.

"Stock Rights" means any securities, dividends or other distributions and any other right or property which the Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral and any securities, any right to receive securities and any right to receive earnings, in which the Grantor now has or hereafter acquires any right, issued by an issuer of such securities.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

## ARTICLE II

### GRANT OF SECURITY INTEREST

The Grantor hereby pledges, assigns and grants to the Agent, on behalf of and for the ratable benefit of the Lenders and (to the extent specifically provided herein) their Affiliates, a security interest in all of the Grantor's right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants to the Agent and the Lenders that:

3.1. Title, Authorization, Validity and Enforceability. The Grantor has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1.6, and has full power and authority to grant to the Agent the security interest in such Collateral pursuant hereto. The execution and delivery by the Grantor of this Security Agreement has been duly authorized by proper corporate proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of the Grantor and creates a security interest which is enforceable against the Grantor in all now owned and hereafter acquired Collateral. When financing statements have been filed in the appropriate offices against the Grantor in the locations listed on Exhibit "F", the Agent will have a fully perfected first priority

security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1.6.

3.2. Conflicting Laws and Contracts. Neither the execution and delivery by the Grantor of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Grantor or the Grantor's articles or certificate of incorporation or by-laws or other origination documents, the provisions of any indenture, instrument or agreement to which the Grantor is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of the Agent on behalf of the Lenders).

3.3. Type and Jurisdiction of Organization. The Borrower is a corporation organized under the laws of the State of Delaware.

3.4. Principal Location. The Grantor's mailing address and the location of its place of business (if it has only one) or its chief executive office is disclosed in Exhibit "A"; the Grantor has no other places of business except those set forth in Exhibit "A".

3.5. Property Locations. Upon request by Agent, Borrower shall deliver to Agent a current list of the locations of all Inventory, Equipment and Fixtures. All of said locations must be owned by the Grantor except for locations (i) which are leased by the Grantor as lessee and designated in Part B of Exhibit "A" and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part C of Exhibit "A", with respect to which Inventory the Grantor has delivered bailment agreements, warehouse receipts, financing statements or other documents satisfactory to the Lenders to protect the Agent's and the Lenders' security interest in such Inventory.

3.6. No Other Names. The Grantor has not conducted business under any name except the name in which it has executed this Security Agreement, which is the exact name as it appears in the Grantor's organizational documents, as amended, as filed with the Grantor's jurisdiction of organization.

3.7. No Default. No Default or Unmatured Default exists.

3.8. Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper are and will be correctly stated in all records of the Grantor relating thereto and in all invoices and reports with respect thereto furnished to the Agent by the Grantor from time to time. As of the time when each Account or each item of Chattel Paper arises, the Grantor shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all respects what they purport to be.

3.9. Filing Requirements. None of the Equipment is covered by any certificate of title, except for the vehicles described in Part A of Exhibit "B". None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for (i) the vehicles described in Part B of Exhibit "B" and (ii) patents, trademarks and copyrights held by the Grantor and described in Part C of Exhibit "B". The legal description, county and street address of the property on which any Fixtures are located is set forth in Exhibit "C" together with the name and address of the record owner of each such property.

3.10. No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Grantor as debtor has been filed in any jurisdiction except (i) financing statements naming the Agent on behalf of the Lenders as the secured party, (ii) as described in Exhibit "D", and (iii) as permitted by Section 4.1.6.

3.11. Federal Employer Identification Number. The Grantor's Federal employer identification number is \_\_\_\_\_.

3.12. State Organization Number. If the Grantor is a registered organization, the Grantor's State organization number is \_\_\_\_\_.

3.13. Pledged Securities and Other Investment Property. Exhibit "E" sets forth a complete and accurate list of the Instruments, Securities and other Investment Property delivered to the Agent. The Grantor is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed on Exhibit "E" as being owned by it, free and clear of any Liens, except for the security interest granted to the Agent for the benefit of the Lenders hereunder. The Grantor further represents and warrants that (i) all such Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable and (ii) with respect to any certificates delivered to the Agent representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the Uniform Commercial Code of the applicable jurisdiction as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, the Grantor has so informed the Agent so that the Agent may take steps to perfect its security interest therein as a General Intangible.

ARTICLE IV  
COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated:

4.1. General.

4.1.1. Inspection. The Grantor will permit the Agent or any Lender, by its representatives and agents (i) to inspect the Collateral, (ii) to examine and make copies of the records of the Grantor relating to the Collateral and (iii) to discuss the Collateral and the related records of the Grantor with, and to be advised as to the same by, the Grantor's officers and employees (and, in the case of any Receivable, with any person or entity which is or may be obligated thereon), all at such reasonable times and intervals as the Agent or such Lender may determine, and all at the Grantor's expense.

4.1.2. Taxes. The Grantor will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

4.1.3. Records and Reports; Notification of Default. The Grantor will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Agent, with sufficient copies for each of the Lenders, such reports relating to the Collateral as the Agent shall from time to time request. The Grantor will give prompt notice in writing to the Agent and the Lenders of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which might materially and adversely affect the Collateral.

4.1.4. Financing Statements and Other Actions; Defense of Title. The Grantor hereby authorizes the Agent to file electronically or otherwise, and if requested will execute and deliver to the Agent, all financing statements and other documents and take such other actions as may from time to time be requested by the Agent in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral. The Grantor will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Agent in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

4.1.5. Disposition of Collateral. The Grantor will not sell, lease or otherwise dispose of the Collateral except (i) prior to the occurrence of a Default or Unmatured Default, dispositions specifically permitted pursuant to Section 6.13 of the Credit Agreement, (ii) until such time following the occurrence of a Default as the Grantor receives a notice from the Agent instructing the Grantor to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii) until such time as the Grantor receives a notice from the Agent pursuant to Article VII, proceeds of Inventory and Accounts collected in the ordinary course of business.

4.1.6. Liens. The Grantor will not create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, (ii) existing Liens described in Exhibit "D" and (iii) other Liens permitted pursuant to Section 6.15 of the Credit Agreement.

4.1.7. Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. The Grantor will:

- (c) preserve its existence as a corporation and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets;
- (d) not change its state of organization;

unless the Grantor shall have given the Agent not less than 30 days' prior written notice of such event or occurrence and the Agent shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Agent's security interest in the Collateral, or (y) taken such steps (with the cooperation of the Grantor to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Agent's security interest in the Collateral.

4.1.8. Other Financing Statements. The Grantor will not sign or authorize the signing on its behalf or the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 4.1.6.

#### 4.2. Receivables.

4.2.1. Certain Agreements on Receivables. The Grantor will not make or agree to make any change order(s), discount, credit, rebate or other reduction in the original amount owing on a Receivable (other than those reasonably deemed necessary and appropriate by Grantor which would not cause a Mandatory Prepayment under Section 2.7.2(iv) of the Credit Agreement) or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of a Default, the Grantor may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

4.2.2. Collection of Receivables. Except as otherwise provided in this Security Agreement, the Grantor will collect and enforce, at the Grantor's sole expense, all amounts due or hereafter due to the Grantor under the Receivables.

4.2.3. Delivery of Invoices. The Grantor will deliver to the Agent immediately upon its request after the occurrence of a Default duplicate invoices with respect to each Account bearing such language of assignment as the Agent shall specify.

4.2.4. Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement permitted in Section 4.2.1. to make a rebate or to otherwise reduce the amount owing on a Receivable exists or (ii) if, to the knowledge of the Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, the Grantor will disclose such fact to the Agent in writing in

connection with the inspection by the Agent of any record of the Grantor relating to such Receivable and in connection with any invoice or report furnished by the Grantor to the Agent relating to such Receivable.

#### 4.3. Inventory and Equipment.

4.3.1. Maintenance of Goods. The Grantor will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition.

4.3.2. Insurance. The Grantor will (i) maintain fire and extended coverage insurance on the Inventory and Equipment containing a lender's loss payable clause in favor of the Agent, on behalf of the Lenders, and providing that said insurance will not be terminated except after at least 30 days' written notice from the insurance company to the Agent, (ii) maintain such other insurance on the Collateral for the benefit of the Agent as the Agent shall from time to time request, (iii) furnish to the Agent upon the request of the Agent from time to time the originals of all policies of insurance on the Collateral and certificates with respect to such insurance and (iv) maintain general liability insurance naming the Agent, on behalf of the Lenders, as an additional insured.

4.3.3. Titled Vehicles. The Grantor will give the Agent notice of its acquisition of any vehicle covered by a certificate of title and deliver to the Agent, upon request, the original of any vehicle title certificate and do all things necessary to have the Lien of the Agent noted on any such certificate.

4.4. Instruments, Securities, Chattel Paper, Documents and Pledged Deposits. The Grantor will (i) deliver to the Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist), (ii) hold in trust for the Agent upon receipt and immediately thereafter deliver to the Agent any Chattel Paper, Securities and Instruments constituting Collateral, (iii) upon the designation of any Pledged Deposits (as set forth in the definition thereof), deliver to the Agent such Pledged Deposits which are evidenced by certificates included in the Collateral endorsed in blank, marked with such legends and assigned as the Agent shall specify, and (iv) upon the Agent's request, after the occurrence and during the continuance of a Default, deliver to the Agent (and thereafter hold in trust for the Agent upon receipt and immediately deliver to the Agent) any Document evidencing or constituting Collateral.

4.5. Uncertificated Securities and Certain Other Investment Property. The Grantor will permit the Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Collateral to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Agent granted pursuant to this Security Agreement. The Grantor will take any actions necessary to cause (i) the issuers of uncertificated securities which are Collateral and

which are Securities and (ii) any financial intermediary which is the holder of any Investment Property, to cause the Agent to have and retain Control over such Securities or other Investment Property. Without limiting the foregoing, the Grantor will, with respect to Investment Property held with a financial intermediary, cause such financial intermediary to enter into a control agreement with the Agent in form and substance satisfactory to the Agent.

#### 4.6. Stock and Other Ownership Interests.

4.6.1. Changes in Capital Structure of Issuers. Except as permitted in the Credit Agreement, the Grantor will not (i) permit or suffer any issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to dissolve, liquidate, retire any of its capital stock or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (ii) vote any of the Instruments, Securities or other Investment Property in favor of any of the foregoing.

4.6.2. Issuance of Additional Securities. The Grantor will not permit or suffer the issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to issue any such securities or other ownership interests, any right to receive the same or any right to receive earnings, except to the Grantor.

4.6.3. Registration of Pledged Securities and other Investment Property. The Grantor will permit any registerable Collateral to be registered in the name of the Agent or its nominee at any time at the option of the Required Secured Parties.

4.6.4. Exercise of Rights in Pledged Securities and other Investment Property. The Grantor will permit the Agent or its nominee at any time after the occurrence of a Default, without notice, to exercise all voting and corporate rights relating to the Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any corporate securities or other ownership interests or Investment Property in or of a corporation, partnership, joint venture or limited liability company constituting Collateral and the Stock Rights as if it were the absolute owner thereof.

4.7. Pledged Deposits. The Grantor will not withdraw all or any portion of any Pledged Deposit or fail to rollover said Pledged Deposit without the prior written consent of the Agent.

4.8. Deposit Accounts. The Grantor will (i) upon the Agent's request, cause each bank or other financial institution in which it maintains (a) a Deposit Account to enter into a control agreement with the Agent, in form and substance satisfactory to the Agent in order to give the Agent Control of the Deposit Account or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Agent hereunder and cause each such bank or other financial institution to acknowledge such notification in writing

and (ii) upon the Agent's request [after the occurrence and during the continuance of a Default], deliver to each such bank or other financial institution a letter, in form and substance acceptable to the Agent, transferring ownership of the Deposit Account to the Agent or transferring dominion and control over each such other deposit to the Agent until such time as no Default exists. In the case of deposits maintained with Lenders, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

4.10. Letter-of-Credit Rights. The Grantor will upon the Agent's request, cause each issuer of a letter of credit, to consent to the assignment of proceeds of the letter of credit in order to give the Agent Control of the letter-of-credit rights to such letter of credit.

4.10. Federal, State or Municipal Claims. The Grantor will notify the Agent of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

#### ARTICLE V DEFAULT

5.1. The occurrence of any one or more of the following events shall constitute a Default:

5.1.1. Any representation or warranty made by or on behalf of the Grantor under or in connection with this Security Agreement shall be materially false as of the date on which made.

5.1.2. The breach by the Grantor of any of the terms or provisions of Article IV or Article VII.

5.1.3. The breach by the Grantor (other than a breach which constitutes a Default under Section 5.1.1 or 5.1.2) of any of the terms or provisions of this Security Agreement which is not remedied within 10 days after the giving of written notice to the Grantor by the Agent.

5.1.4. Any material portion of the Collateral shall be transferred or otherwise disposed of, either voluntarily or involuntarily, in any manner not permitted by Section 4.1.5 or 8.7 or shall be lost, stolen, damaged or destroyed.

5.1.5. Any Secured Obligation shall not be paid when due, whether at stated maturity, upon acceleration, or otherwise.

5.1.6. The occurrence of any "Default" under, and as defined in, the Credit Agreement.

5.1.7. Any limited partnership interests or ownership interests in a limited liability company which are included within the Collateral shall at any time constitute a Security or the issuer of any such interests shall take any action to have such interests treated as a Security unless (i) all certificates or other documents constituting such Security have been delivered to the Agent and such Security is properly defined as such under Article 8 of the Uniform Commercial Code of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise, or (ii) the Agent has entered into a control agreement with the issuer of such Security or with a securities intermediary relating to such Security and such Security is defined as such under Article 8 of the Uniform Commercial Code of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise.

5.2. Acceleration and Remedies. Upon the acceleration of the obligations under the Credit Agreement pursuant to Section 8.1 thereof, the Obligations and, to the extent provided for under the Rate Management Transactions evidencing the same, the Rate Management Obligations, shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Agent may, with the concurrence or at the direction of the Required Secured Parties, exercise any or all of the following rights and remedies:

5.2.1. Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document, provided that this Section 5.2.1 shall not be understood to limit any rights or remedies available to the Agent and the Lenders prior to a Default.

5.2.2. Those rights and remedies available to a secured party under the Oklahoma UCC (whether or not the Oklahoma UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

5.2.3. Without notice except as specifically provided in Section 8.1 or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable.

The Agent, on behalf of the secured parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

If, after the Credit Agreement has terminated by its terms and all of the Obligations have been paid in full, there remain Rate Management Obligations outstanding, the Required Secured Parties may exercise the remedies provided in this Section 5.2 upon the occurrence of any event which would allow or require the termination or acceleration of any Rate Management

Obligations pursuant to the terms of the agreement governing any Rate Management Transaction.

5.3. Debtor's Obligations Upon Default. Upon the request of the Agent after the occurrence of a Default, the Grantor will:

5.3.1. Assembly of Collateral. Assemble and make available to the Agent the Collateral and all records relating thereto at any place or places specified by the Agent.

5.3.2. Secured Party Access. Permit the Agent, by the Agent's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

5.4. License. The Agent is hereby granted a license or other right to use, following the occurrence and during the continuance of a Default, without charge, the Grantor's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and, following the occurrence and during the continuance of a Default, the Grantor's rights under all licenses and all franchise agreements shall inure to the Agent's benefit. In addition, the Grantor hereby irrevocably agrees that the Agent may, following the occurrence and during the continuance of a Default, sell any of the Grantor's Inventory directly to any person, including without limitation persons who have previously purchased the Grantor's Inventory from the Grantor and in connection with any such sale or other enforcement of the Agent's rights under this Agreement, may sell Inventory which bears any trademark owned by or licensed to the Grantor and any Inventory that is covered by any copyright owned by or licensed to the Grantor and the Agent may finish any work in process and affix any trademark owned by or licensed to the Grantor and sell such Inventory as provided herein.

ARTICLE VI  
WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Agent or any Lender to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Agent with the concurrence or at the direction of the Lenders required under Section 8.2 of the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Agent and the Lenders until the Secured Obligations have been paid in full.

ARTICLE VII  
PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes. Upon request of the Agent after the occurrence of a Default or Unmatured Default, the Grantor shall execute and deliver to the Agent irrevocable lockbox agreements in the form provided by or otherwise acceptable to the Agent, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of the Agent granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Agent.

7.2. Collection of Receivables. The Agent may at any time after the occurrence of a Default, by giving the Grantor written notice, elect to require that the Receivables be paid directly to the Agent for the benefit of the Lenders. In such event, the Grantor shall, and shall permit the Agent to, promptly notify the account debtors or obligors under the Receivables of the Lenders' interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to the Agent. Upon receipt of any such notice from the Agent, the Grantor shall thereafter hold in trust for the Agent, on behalf of the Lenders, all amounts and proceeds received by it with respect to the Receivables and Other Collateral and immediately and at all times thereafter deliver to the Agent all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Agent shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

7.3. Special Collateral Account. The Agent may require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Agent and held there as security for the Secured Obligations. The Grantor shall have no control whatsoever over said cash collateral account. If no Default or Unmatured Default has occurred or is continuing, the Agent shall from time to time deposit the collected balances in said cash collateral account into the Grantor's general operating account with the Agent. If any Default or Unmatured Default has occurred and is continuing, the Agent may (and shall, at the direction of the Required Lenders, from time to time, apply the collected balances in said cash collateral account to the payment of the Secured Obligations whether or not the Secured Obligations shall then be due.

7.4. Application of Proceeds. The proceeds of the Collateral shall be applied by the Agent to payment of the Secured Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

(a) FIRST, to payment of all costs and expenses of the Agent incurred in connection with the collection and enforcement of the Secured Obligations or of the security interest granted to the Agent pursuant to this Security Agreement;

(b) SECOND, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest and fees, pro rata among the Lenders and their Affiliates in accordance with the amount of such accrued and unpaid interest and fees owing to each of them;

(c) THIRD, to payment of the principal of the Secured Obligations and the net early termination payments and any other Rate Management Obligations then due and unpaid from the Grantor to any of the Lenders or their Affiliates, pro rata among the Lenders and their Affiliates in accordance with the amount of such principal and such net early termination payments and other Rate Management Obligations then due and unpaid owing to each of them;

(d) FOURTH, to payment of any Secured Obligations (other than those listed above) pro rata among those parties to whom such Secured Obligations are due in accordance with the amounts owing to each of them; and

(e) FIFTH, the balance, if any, after all of the Secured Obligations have been satisfied, shall be deposited by the Agent into the Grantor's general operating account with the Agent.

ARTICLE VIII  
GENERAL PROVISIONS

8.1. Notice of Disposition of Collateral; Condition of Collateral. The Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Grantor, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

8.2. Compromises and Collection of Collateral. The Grantor and the Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, the Grantor agrees that the Agent may at any time and from time to time, if a Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Agent shall be commercially reasonable so long as the Agent acts in good faith based on information known to it at the time it takes any such action.

8.3. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, the Agent may perform or pay any obligation which the Grantor has agreed to perform or pay in this Security Agreement and the Grantor shall reimburse the Agent for any amounts paid by the Agent pursuant to this Section 8.3. The Grantor's obligation to reimburse the Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.4. Authorization for Secured Party to Take Certain Action. The Grantor irrevocably authorizes the Agent at any time and from time to time in the sole discretion of the Agent and appoints the Agent as its attorney in fact (i) to execute on behalf of the Grantor as debtor and to file financing statements necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the Agent's security interest in the Collateral, (ii) to indorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Agent's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Collateral and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give the Agent Control over such Securities or other Investment Property, (v) subject to the terms of Section 4.1.5, to enforce payment of the Receivables in the name of the Agent or the Grantor, (vi) to apply the proceeds of any Collateral received by the Agent to the Secured Obligations as provided in Article VII and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), and the Grantor agrees to reimburse the Agent on demand for any payment made or any expense incurred by the Agent in connection therewith, provided that this authorization shall not relieve the Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

8.5. Specific Performance of Certain Covenants. The Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1.5, 4.1.6, 4.4, 5.3, or 8.7 or in Article VII will cause irreparable injury to the Agent and the Lenders, that the Agent and Lenders have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Agent or the Lenders to seek and obtain specific performance of other obligations of the Grantor contained in this Security Agreement, that the covenants of the Grantor contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Grantor.

8.6. Use and Possession of Certain Premises. Upon the occurrence of a Default, the Agent shall be entitled to occupy and use any premises owned or leased by the Grantor where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay the Grantor for such use and occupancy.

8.7. Dispositions Not Authorized. The Grantor is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1.5 and notwithstanding any course of dealing between the Grantor and the Agent or other conduct of the Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1.5) shall be binding upon the Agent or the Lenders unless such authorization is in writing signed by the Agent with the consent or at the direction of the Required Lenders.

8.8. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantor, the Agent and the Lenders and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the Grantor shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Agent.

8.9. Survival of Representations. All representations and warranties of the Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.10. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Grantor, together with interest and penalties, if any. The Grantor shall reimburse the Agent for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Agent) paid or incurred by the Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Grantor in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantor.

8.11. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.12. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of the Agent or the Lenders which would give rise to any Secured Obligations are outstanding.

8.13. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantor and the Agent relating to the Collateral and supersedes all prior agreements and understandings between the Grantor and the Agent relating to the Collateral.

8.14. CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF OKLAHOMA, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

8.15. Distribution of Reports. The Grantor authorizes the Agent, as the Agent may elect in its sole discretion, to discuss with and furnish to its affiliates and to the Lenders or to any other person or entity having an interest in the Secured Obligations (whether as a guarantor, pledgor of collateral, participant or otherwise) all financial statements, audit reports and other information pertaining to the Grantor and its Subsidiaries whether such information was provided by the Grantor or prepared or obtained by the Agent. Neither the Agent nor any of its employees, officers, directors or agents makes any representation or warranty regarding any audit reports or other analyses of the Grantor's and its Subsidiaries' condition which the Agent may in its sole discretion prepare and elect to distribute, nor shall the Agent or any of its employees, officers, directors or agents be liable to any person or entity receiving a copy of such reports or analyses for any inaccuracy or omission contained in or relating thereto.

8.16. Indemnity. The Grantor hereby agrees to indemnify the Agent and the Lenders, and their respective successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent or any Lender is a party thereto) imposed on, incurred by or asserted against the Agent or the Lenders, or their respective successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Agent or the Lenders or the Grantor, and any claim for patent, trademark or copyright infringement).

#### ARTICLE IX NOTICES

9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Article XIII of the Credit Agreement.

9.2. Change in Address for Notices. Each of the Grantor, the Agent and the Lenders may change the address for service of notice upon it by a notice in writing to the other parties.

#### ARTICLE X THE AGENT



EXHIBIT "A"

(See Sections 3.3, 3.4, 3.5, 4.1.7 and 9.1 of Security Agreement)

Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:

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Attention: -----

Locations of Inventory and Equipment and Fixtures:

A. Properties Owned by the Grantor:

B. Properties Leased by the Grantor (Include Landlord's Name):

C. Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

EXHIBIT "B"  
(See Section 3.9 of Security Agreement)

A. Vehicles subject to certificates of title:

Description	Title Number & State Where Issued
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B. Aircraft/engines, ships, railcars and other vehicles governed by federal statute:

Description	Registration Number
-----	-----

C. Patents, copyrights, trademarks protected under federal law\*:

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\*For (i) trademarks, show the trademark itself, the registration date and the registration number; (ii) trademark applications, show the trademark applied for, the application filing date and the serial number of the application; (iii) patents, show the patent number, issue date and a brief description of the subject matter of the patent; and (iv) patent applications, show the serial number of the application, the application filing date and a brief description of the subject matter of the patent applied for. Any licensing agreements for patents or trademarks should be described on a separate schedule.

EXHIBIT "C"  
(See Section 3.9 of Security Agreement)

Legal description, county and street address of property on which  
Fixtures are located:

Name and Address of Record Owner:

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EXHIBIT "D"  
(See Sections 3.10 and 4.1.6 of Security Agreement)

EXISTING LIENS ON THE COLLATERAL

Secured Party	Collateral	Principal Balance	Maturity
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EXHIBIT "E"

List of Pledged Securities  
(See Section 3.13 of Security Agreement)

A. STOCKS:

Issuer	Certificate Number	Number of Shares
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B. BONDS:

Issuer	Number	Face Amount	Coupon Rate	Maturity
-----	-----	-----	-----	-----

C. GOVERNMENT SECURITIES:

Issuer	Number	Type	Face Amount	Coupon Rate	Maturity
-----	-----	-----	-----	-----	-----

D. OTHER SECURITIES OR OTHER INVESTMENT PROPERTY  
(CERTIFICATED AND UNCERTIFICATED):

Issuer	Description of Collateral	Percentage Ownership
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EXHIBIT "F"  
COMMERCIAL TORT CLAIMS

EXHIBIT H

BORROWING BASE CERTIFICATE

MATRIX SERVICE COMPANY ("Borrower") pursuant to the Credit Agreement (the "Agreement") dated March 7, 2003, among Borrower, Agent and the Lenders party thereto, hereby certifies to Agent and Lenders that the following Borrowing Base is true and correct as of the close of business on \_\_\_\_\_, 20\_\_ is:

1. Total Accounts as of _____	\$ _____
2. Less (a) Invoices over 90 days old	\$ _____
(b) Contra Accounts	\$ _____
(c) Accounts tainted by 10% >90 days old	\$ _____
(d) Accounts evidenced by a third party lien	\$ _____
(e) Accounts in Bankruptcy	\$ _____
(f) Affiliate Accounts	\$ _____
(g) Foreign Accounts other than allowed Canadian Accounts	\$ _____
(h) Retainage Accounts	\$ _____
(i) Concentrations in excess of 25%	\$ _____
(j) Other Ineligibles as defined by the Credit Agreement	\$ _____
3. Eligible Accounts (Line 1 less 2 a-j)	\$ _____
(a) Less: Amount that Billings in Excess exceeds Costs in Excess	\$ _____
(b) Amount in the aggregate in excess of \$10,000,000 from bonded Accounts	\$ _____
4. Restated Eligible Accounts (Line 3 less Lines 3(a) and 3(b))	\$ _____
5. Borrowing Base (Line 4 x .80) (Maximum of \$55,000,000)	\$ _____

6.	Revolving Loan Balance	\$ _____
7.	Letters of Credit (Maximum of \$25,000,000)	\$ _____
8.	Total Outstanding (Line 6 + Line 7)	\$ _____
9.	Excess/Deficit Collateral Margin (Line 5 less Line 8)	\$ _____
10.	Available Credit (Lesser of Line 9 or \$55,000,000)	\$ _____

MATRIX SERVICE COMPANY

By:

-----  
Michael J. Hall, Vice President

EXHIBIT I  
UCC-1 FINANCING STATEMENT

EXHIBIT J  
MORTGAGED PROPERTIES SECURITY INSTRUMENTS

SCHEDULE 1

HAKE GROUP

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SCHEDULE 2

MORTGAGED PROPERTIES

TULSA COUNTY:

PROPERTY ADDRESS	LEGAL DESCRIPTION
Matrix Service, Inc. 10701 E. Ute Street Tulsa, OK 74116	Lot Fifteen (15), Block One (1), WOLF POINT INDUSTRIAL PARKWAY, WEST, an Addition in the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded plat thereof.
Matrix Service, Inc. Pine & 143rd E. Avenue Tulsa, Oklahoma	The Northeast Quarter of the Northwest Quarter of the Northeast Quarter (NE/4 NW/4 NE/4) of Section Thirty-three (33), Township Twenty (20) North, Range Fourteen (14) East of the Indian Base and Meridian, according to the U. S. Government Survey thereof, Tulsa County, State of Oklahoma, less and except the Northerly 289.93 feet of the easterly 176.45 feet thereof.
	AND
	Commencing at the Northeast Corner of said Section 33; thence South 89(degree)36'25" West along the northerly line of said Section 33 for 1262.47 feet to the point of beginning of said tract of land; thence South 0(degree)11'15" East a distance of 769.93 feet; thence South 89(degree)48'45"West for 59.95 feet; thence North 0(degree)11'15" West for 769.71 feet to a point on the northerly line of said Section 33; thence North 89(degree)36'25" East along said northerly line for 59.95 feet to the point of beginning of said tract of land, less and except the northerly 289.93 feet thereof.
Matrix Service Company 4300 E. 36th Street North Tulsa, OK 74115	Tract I:  All that part of the North Half of the Northwest Quarter of the Northeast Quarter (N/2 NW/4 NE/4), lying North of the Atchison, Topeka and Santa Fe Railway Right-of Way, in Section Twenty-One (21), Township Twenty (20) North, Range Thirteen (13) East of the Indian Base and Meridian, Tulsa County, State of Oklahoma, according to the United States Government Survey thereof, LESS AND EXCEPT the following tract, more particularly describes as follows:

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BEGINNING at the Northeast corner of said NW/4 NE/4;  
thence West along the North boundary of said NE/4 NE/4  
a distance of 143.97 feet to the center line of Toledo  
Avenue; thence South 0(deg)53'03" West along the  
center line of Toledo Avenue, a distance of 301.2 feet  
to a point in the northerly right-of-way line of the  
Atchison, Topeka and Santa Fe Railway Right-of-Way;  
thence North 81(deg)26'00" East long the northerly  
right-of-way line of the Atchison, Topeka and Santa Fe  
Railway Right-of-Way a distance of 150.92 feet to a  
point in the East boundary line of said NE/4 NE/4;  
thence North 0(S)04'00" East along the Easterly  
boundary line of said NW/4 NE/4 a distance of 278.56  
feet to the Point of Beginning.

AND

-----  
4300 E. 36th Street  
North  
Continued...

TRACT II

A parcel of land in the County of Tulsa, State of  
Oklahoma, lying in the Northwest Quarter of the  
Northeast Quarter (NW/4 NE/4) of Section Twenty-one  
(21), Township Twenty (20) North, Range Thirteen (13)  
East of the Indian Meridian, being that portion of that  
certain Tract Number 2 and that portion of that certain  
Tract Number 3 described in award of referees entitled  
"In the United States Court for the Indian Territory,  
Northern District at Claremore. The Atchison, Topeka  
and Santa Fe Railway Company, Plaintiff -vs- Pierce P.  
Butler, Daniel R. Butler, Kathleen P. Butler and the  
Cherokee Nation or Tribe of Indians, Defendants," filed  
of record December 21, 1910 and recorded in Record 76,  
Page 527, records of said County described as follows:

Beginning at the Northwesterly corner of said Tract  
Number 3, said corner being distant South 0 deg. 01'  
52" West along the Westerly line of said Northwest  
Quarter 426.85 feet from the Northwest corner of said  
Northwest Quarter; thence along the boundary of said  
Tract Number 3 and along the boundary of said Tract  
Number 2 the following Three (3) courses: (1) North 81  
deg. 32' 24" East, 820.10 feet; thence (2) South 8 deg.  
27' 36" East, 50.00 feet; thence (3) North 81 deg. 32'  
24" East 330.09 feet to a line

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parallel with and distant Westerly 25.0 feet measured at Right Angles from that certain center line course described in easement Deed dated July 5, 1960, from W. D. Clark and Mary C. Patchin to Tulsa County, State of Oklahoma, recorded April 29, 1946 in Book 1428, Page 622, records of said County, as "North and parallel to the North and South center line of Section 21 a distance of 409.4 feet more or less to the South Right-of-Way line of the County Highway"; thence South 1 deg. 03' 12" West along said parallel line, 76.05 feet to a line parallel with and distant Northerly 25.7 feet measured at right angles from the center line of that certain railroad track designated in the records of said Railway Company as the "Illinois Division, Tulsa Subdivision, Main Line Track at Mohawk Station"; thence South 81 deg. 32' 24" West along last said parallel line 1156.29 feet to the westerly boundary of said Tract Number 3 said westerly boundary being along said westerly line of said Northwest Quarter, thence North 0 deg. 01' 52" East along said westerly boundary 126.39 feet to the Point of Beginning.  
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ROGERS COUNTY:

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PROPERTY ADDRESS                      LEGAL DESCRIPTION  
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Matrix Service Company            A tract of land that is part of the Southeast Quarter  
1105 W. Main Parkway            (SE/4) of Section Six (6), part of the Northeast  
Catoosa, OK 74015                Quarter (NE/4) of Section Seven (7), and part of the  
   Northwest Quarter (NW/4) of Section Eight 8, all in  
   Township Twenty (20 North, Range Fifteen (15) East of  
   the Indian Base and Meridian, Rogers County, State of  
   Oklahoma, according to the United States Government  
   Survey thereof, said tract of land being described as  
   follows, to wit:  
  
   Starting at the Southeast corner of said Section 6;  
   thence due West for 1,268.58 feet; thence due South for  
   877.98 feet to the Point of Beginning of said tract of  
   land; thence North 08(degree)23'24" East for 2,075.19  
   feet; thence South 36(degree)59'43" East for 2,675.12  
   feet to a point of curve; thence Southeasterly along a  
   curve to the right with a central angle of  
   22(degree)22'51" and a radius of 611.62 feet, for  
   238.91 feet; thence North 81(degree)36'36" West for  
   2,037.69 feet to the point of Beginning of said tract  
   of land.

-----  
Matrix Service Company            A tract of land in the west half of Section 8 and East  
1045 Keystone Avenue            half of Section 7, Township 20 North, Range 15 East of  
Catoosa, OK 74015                the Indian and Meridian, Rogers County, Oklahoma, more  
   particularly described as follows, to wit:  
  
   Beginning at a point 212.10 feet due east and 2315.65  
   feet due south of the northeast corner of said Section  
   7; thence due South a distance of 615.00 feet; thence  
   due West a distance of 900.00 feet; thence  
   N45(degree)00'00"W a distance of 14.14 feet; thence due  
   north a distance of 605.00 feet; thence due east a  
   distance of 910.00 feet to the point of beginning;  
   Containing 12.85 acres, more or less.

STATE OF CALIFORNIA:

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PROPERTY ADDRESS                      LEGAL DESCRIPTION  
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Matrix Service, Inc.                All that certain land situated in the State of  
500 West Collins                    California, County of Orange, City of Orange, described  
Avenue Orange                      as follows:  
California                            Parcel 1 as shown on a Map filed in Book 5, Page 23  
   of Parcel Maps in the Office of the County Recorder  
   of Orange County, California.

## STATE OF MICHIGAN:

## PROPERTY ADDRESS

## LEGAL DESCRIPTION

Matrix Service  
Mid-Continent, Inc.

Land in the Township of Bedford, Monroe County,  
Michigan described as:

6945 Crabb Road  
Temperance, Michigan  
48182

Part of the Southeast quarter and the Northeast quarter of Section 35, Town 8 South, Range 7 East, described as: Beginning at the East quarter corner of said Section 35, and proceeding thence along the East line of Section 35, also being the centerline of Crabb Road, South 00 degrees 27 minutes 30 seconds West 390.53 feet; thence North 89 degrees 40 minutes 05 seconds West 676.00 feet; thence North 00 degree 27 minutes 30 seconds East 458.59 feet; thence South 89 degrees 32 minutes 30 seconds East 676.00 feet; thence along the East line of Section 35, also being the centerline of Crabb Road, South 00 degree 27 minutes 30 seconds West 66.57 feet to the East quarter corner of said Section 35, also being the point of beginning.

## STATE OF TEXAS:

## PROPERTY ADDRESS

## LEGAL DESCRIPTION

Matrix Service, Inc.

All that certain tract or parcel of land containing 6.4866 acres, more or less, being the combination of two (2) separate tracts of land, TRACT ONE (1) of said separate tracts being a five (5) acre tract out of Tract No. 16 of the J. W. MOODY SURVEY, Harris County, Texas, as recorded in Volume 754, Page 272 of the Deed Records of Harris County, Texas, and TRACT TWO (2) of said separate tracts being a part of a six and one-half (6 1/2) acre tract out of said J. W. MOODY SURVEY, said TRACT TWO (2) being conveyed by Maurice Haydis et ux to Jeanette Mintz, et vir., by Deed dated August 18, 1944 and recorded in Volume 1343, Page 241 of the Harris County Deed Records; said 6.4866 acre tract being more particularly described by metes and bounds as follows:

7021 Gregdale  
Houston, Texas 77049

BEGINNING at a 5/8 inch iron rod (set) with a fence post (found) for reference in the West margin of Gregdale Road, based on a right-of-way; said iron rod also being the Southeast corner of the Ella J. Juden 10 acre tract; THENCE North 89(degree) 00' 17" West, along the South line of the Ella J. Juden 10 acre tract, a distance of 475.37 feet to a 5/8 inch iron rod (set) for a corner in the East line of the G. Hargrave tract of land; THENCE South 00(degree)54'54" West, a distance of 233.56 feet to a point for corner; THENCE

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North 88(degree)49'24" West, a distance of 491.30 feet to a 5/8 inch iron rod (set) for a corner; THENCE South 00(degree)5'45" West, a distance of 177.24 feet to a 3/4 inch iron pipe (found) in the North line of the 14 acre McCullough Tract; THENCE South 89(degree)00'36" East, a distance of 8973.46 feet to 5/8 inch iron rod (set) in the West line of Gregdale Road; THENCE North along said West line of Gregdale Road a distance of 209.22 feet back to the POINT OF BEGINNING of the herein described tract.  
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STATE OF WASHINGTON:

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PROPERTY ADDRESS

LEGAL DESCRIPTION  
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Matrix Service, Inc.  
  
3810 Bakerview Spur  
Bellingham Washington  
98226

Parcel A:  
Parcel 6, as delineated on Henefin Industrial Tracts  
specific Binding Site Plan No. 2, Whatcom County,  
Washington, according to the plat thereof, recorded in  
Volume 1 of Binding Site Plans, Page 51, under  
Auditor's File No. 891103002, Records of Whatcom  
County, Washington. Except for that portion deeded to  
the City of Bellingham by deed recorded under Whatcom  
County Auditor's File No. 1980600758.

Situate in Whatcom County, Washington

Parcel B:  
Parcel 7, as delineated on Henefin Industrial Tracts  
specific Binding Site Plan No. 2, Whatcom County,  
Washington, according to the plat thereof, recorded in  
Volume 1 of Binding Site Plans, Page 51, under  
Auditor's File No. 891103002, Records of Whatcom  
County, Washington. Except for that portion deeded to  
the City of Bellingham by deed recorded under Whatcom  
County Auditor's File No. 1980600758.

Situate in Whatcom County, Washington

Parcel C:  
A 60 foot wide easement for ingress, egress, utilities  
and drainage as delineated on Henefin Industrial Tracts  
specific Binding Site Plan No. 2, Whatcom County,  
Washington, according to the plat thereof recorded in  
Volume 1 of Binding Site Plans, Page 51, under  
Auditor's File No. 891103002, records of Whatcom  
County, Washington

Situated in Whatcom County, Washington.  
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STATE OF PENNSYLVANIA:

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PROPERTY ADDRESS                      LEGAL DESCRIPTION  
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The Hake Group, Inc.

Holmes PA

ALL THAT CERTAIN tract or parcel of land situate in the Township of Ridley, County of Delaware and Commonwealth of Pennsylvania, being known and designated as Parcel Number 1, as shown on a Lot Consolidation Plan by J. C. Park Associates, Inc., Engineers and Surveyors, Washington Crossing, PA dated November 30, 1994, Job No. 6271-1, being more particularly described as follows, to wit:

BEGINNING at a point, said point being the intersection of the centerline of vacated Talbot Avenue (40 feet wide) with the Northerly right of way line of the Baltimore and Ohio Railroad, said point being distant 20.25 feet measured on a bearing of South 65 degrees 00 minutes 00 seconds West from a monument (found) at the intersection of the Easterly right of way line of said Baltimore and Ohio Railroad, and running, thence: (1) South 65 degrees 00 minutes 00 seconds West a distance of 313.13 feet crossing over a monument (found) at 20.25 feet from the beginning of this course, along the Northerly right of way line of said Baltimore and Ohio Railroad to a point in the Easterly right of way line of Price Avenue (50 feet wide), thence: (2) North 25 degrees 00 minutes 00 seconds West a distance of 325.00 feet along said right of way of Price Avenue to a point, said point being the Southwesterly corner of lands now or late of John and Teresa Snow, thence: (3) North 65 degrees 00 minutes 00 seconds East a distance of 125.00 feet along lands of said John and Teresa Snow to a point, thence: (4) South 25 degrees 00 minutes 00 seconds East a distance of 85.00 feet along lands now or late of Edward and Dolores Laurelli to a point, said point being the Southwesterly corner of said Edward and Dolores Laurelli, thence: (5) North 65 degrees 00 minutes 00 seconds East a distance of 150.40 feet along said lands of Edward and Dolores Laurelli to a point in the centerline of said Talbot Avenue at its terminus, thence: (6) South 33 degrees 56 minuets 00 seconds East a distance of 242.94 feet along the centerline of said vacated portion of Talbot Avenue to the first mentioned point and place of beginning.

CONTAINING 81,244 square feet of land, more or less.

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The Hake Group

BEING known as Folio No. 38-03-01883-00 and part of the vacated bed of Talbot Avenue, as shown on the above mentioned plan.  
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Together with and subject to the "Proposed Access Easement" (8,401 square feet or 0.193 acre) bounded and described as follows:

ALL THAT CERTAIN easement situate in the Township of Ridley, County of Delaware and Commonwealth of Pennsylvania, bounded and described according to a Lot Consolidation Plan of Nelson Company Site prepared by J.C. Park Associates, Inc., Engineers and Surveyors, Washington Crossing, PA dated November 30, 1994 Job number 6271-1 as follows, to wit:

BEGINNING at a point, said point being the Southeasterly corner at the terminus of Talbot Avenue (40 feet wide) being distant 167.78 feet measured on a bearing of South 33 degrees 56 minutes 00 seconds East from the intersection of the Southerly right of way line of Amosland Road (48 feet wide) with the Northeasterly right of way line of Talbot Avenue, and running, thence: (1) South 33 degrees 56 minutes 00 seconds East, a distance of 7.83 feet along the vacated Northeasterly right of way line of Talbot Avenue to a point on the face of a 2-story masonry building, thence: (2) South 55 degrees 49 minutes 32 seconds West a distance of 9.39 feet along said face of building to a point; thence: (3) South 34 degrees 10 minutes 20 seconds East a distance of 66.08 feet continuing along said face of building to a point, thence: (4) North 55 degrees 49 minutes 32 seconds East a distance of 9.11 feet continuing along said face of building to a point in the said vacated right of way line, thence: (5) South 33 degrees 56 minutes 00 seconds East a distance of 23.86 feet along said vacated right of way line to a point on the face of said building, thence: (6) South 56 degrees 03 minutes 36 seconds West a distance of 13.64 feet along said face of building to a point, thence: (7) South 33 degrees 56 minutes 24 seconds East a distance of 27.43 feet along said face of building to a point, thence: (8) North 56 degrees 03 minutes 36 seconds East a distance of 4.00 feet along said face of building to a point, thence: (9) South 33 degrees 56 minutes 24 seconds East a distance of 9.00 feet along said face of building to a point, thence: (10) North 56 degrees 03 minutes 36 seconds East a distance of 9.64 feet along said face of building to a point in the said vacated right of way line, thence: (11) South 33 degrees 56 minutes 00 seconds East a distance of 108.74 feet along said vacated right of way line

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to a monument (found) said monument being the intersection of the said vacated Northeasterly right of way line with the Northerly right of way line of the Baltimore and Ohio Railroad, thence: (12) South 65 degrees 00 minutes 00 seconds West a distance of 40.49 feet along said right of way line to a monument (found) said monument being the intersection of the said Northerly right of way line of the Baltimore and Ohio Railroad with the Southwesterly right of way line of said vacated Talbot Avenue, thence: (13) North 33 degrees 56 minutes 00 seconds West a distance of 73.69 feet along said vacated right of way line to a point on the face of a 2-story masonry building, thence: (14) North 25 degrees 09 minutes 59 seconds West a distance of 56.22 feet along said face of building to a point; thence: (15) South 64 degrees 55 minutes 19 seconds West a distance of 8.67 feet along said face of building to a point in the said vacated right of way line, thence: (16) North 33 degrees 56 minutes 00 seconds West a distance of 112.34 feet along said vacated right of way line to a point, said point being the Southwesterly corner at the terminus of Talbot Avenue, thence: (17) North 65 degrees 00 minutes 00 seconds East a distance of 40.49 feet to the first mentioned point and place of beginning. CONTAINING 8,401 square feet of land more or less.  
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SCHEDULE 3

TITLE INSURANCE AMOUNT

PROPERTY ADDRESS -----	TITLE INSURANCE AMOUNT -----
10701 E. Ute Street Tulsa, OK	\$ 700,000
1045 Keystone Avenue Catoosa, OK	\$2,100,000
4300 E. 36th Street North Tulsa, OK	\$1,140,000
1105 West Main Parkway Catoosa, OK	\$8,500,000
14200 E. Pine Street Tulsa, OK	\$ 240,000

6945 Crabb Road Temperance, MI	\$ 680,000
500 West Collins Avenue Orange, CA	\$6,400,000
3810 Bakerview Spur Bellingham, WA	\$2,100,000
7021 Gregdale Houston, TX	\$ 600,000
	\$ 325,000
- - - - - Holmes, PA	

SCHEDULE 4  
UCC LIEN SEARCH

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SCHEDULE 5

VEHICLES

191

SCHEDULE 6  
VEHICLE TITLES

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SCHEDULE 7  
EXISTENCE AND STANDING

SCHEDULE 8  
DISSOLVING SUBSIDIARIES

SCHEDULE 9

LITIGATION

Matrix Service Location	Plaintiff	Defendant	Title of Action	Venue	Anticipated Cost/Value
East Coast	Matrix Service Mid-Continent, Inc.	Artic Slope Construction	Matrix v. Artic Slope Construction	California State Court	\$293K (owed to Matrix)
Plant Services	Matrix Service, Inc.	Tosco Refining Company	Matrix v. Tosco Refining Company	California State Court	\$800K (owed to Matrix)
Construction Services	Plains Resources	Matrix Service, Inc.	Plains Resources v. Matrix	Claim only - No litigation	\$390K (Insured claim with \$50K Deductible)
Corporate	Zurich	Matrix Service, Inc.	Zurich v. Matrix	Federal (Okla.)	\$194K (insured claim with \$50K Deductible)
Construction Services	Industra / Matrix JV	Pope & Talbot	Industra / Matrix Joint Venture v. Pope & Talbot	Oregon State Court	\$2.3 Million
Tank Construction	Johnny Ryder	Matrix Service, Inc.	Johnny Ryder vs. BVZ JV, Zachary Construction Tenaska & Matrix	Texas State Court	no more than \$100K (Zurich provides indemnity to MTRX but does not provide indemnity to our customer - BVZ J.V.)
Houston	Matrix Service, Inc.	Tecon Services, Inc.	Matrix v. Tecon Services, Inc. (Teppco)	Texas State Court	\$300K (owed to Matrix)
Houston	Michael Schuenemann	Matrix Service, Inc.	Michael Schuenemann v. Teppco Crude Pipeline and Matrix Service, Inc.	Texas	\$50K deductible (maximum- If MTRX is indemnified = \$0)
Houston	Matrix Service, Inc.	Evanston Insurance Company (Teppco)	Matrix v. Evanston Insurance Company (Teppco)	Texas State Court	\$0(same amount in Michael Schuenemann v. Teppco )
Houston	Penny Edwards	Shell Pipeline	Penny Edwards v. Shell Pipeline (Action over)	Texas	\$50K deductible (max)
Corporate	Matrix Service	Mutual Risk	Matrix v.	Tulsa County,	\$0

	Company	Management	Mutual Risk et al.	OK	
Construction Services	Brett Ayers	Matrix Service, Inc.	Brett Ayers v. Matrix	Washington State Court	\$25K
Construction Services	Gary West	Matrix Service, Inc.	West v. Colt Matrix	Washington State Court	\$5K
The Hake Group	Barbosa	Hake, Bogan, H.SI, MCI, MAC.	Barbosa v.	Pennsylvania State Court	\$5k deductible
The Hake Group	Stepp	Hake, Bogan, H.SI, MCI, MAC.	Stepp	Pennsylvania State Court	\$5k deductible
Construction Services	Matrix Service, Inc.	AIG	Matrix v. AIG (Plains Resources claim)	Tulsa County, OK ?	Threatened litigation (\$390K Plains Resources claim)
Construction Services	Matrix Service, Inc.	CUIC	Matrix v. CUIC (Plains Resources claim)	Tulsa County, OK ?	Threatened litigation (\$390K Plains Resources claim)
Construction Services	Matrix Service, Inc.	Legion	Matrix v. Legion [GL] (Plains Resources claim)	Tulsa County, OK ?	Threatened litigation (\$390K Plains Resources claim)
Construction Services	Matrix Service, Inc.	Guthrie Coatings	Matrix v. Guthrie Coatings (Plains Resources claim)	Tulsa County, OK ?	Threatened litigation (\$390K Plains Resources claim)
Corporate	Matrix Service Company	Air Products, Inc.	Matrix v. Air Products & Solkatronics	Tulsa County, OK ?	Threatened litigation (same as Port claim)
Corporate	Matrix Service Company	Port of Catoosa	Matrix v. Port of Catoosa	Tulsa County, OK ?	Threatened litigation - \$955K owed to Matrix
Orange	BP Western Refining	Matrix Service, Inc.	BP Western Refining vs Matrix	California State Court or Federal Court?	Threatened litigation - unknown value
Orange	Matrix Service, Inc.	BP Western Refining	Matrix v. BP Western Refining	California State Court or Federal Court?	Threatened litigation - unknown value
Discontinued (SLT)	Valencia Water District v. SLT (Matrix)	SLT & WCIC (Matrix Service, Inc.)	Valencia Water District v. SLT (Matrix)	California State Court	Threatened litigation - \$50K deductible
Michigan	Matrix Service Mid-Continent,	Fluor Daniel (Newton, NH)	Matrix Service Mid-	New York law governs	Threatened litigation,

	Inc.		Continent, Inc. v. Fluor Daniel	contract	\$426K owed Matrix
Michigan	Matrix Service Mid-Continent, Inc.	GE (Ragnar Benson- Shelocta, PA)	Matrix Service Mid-Continent, Inc. v. GE	Alt. Dispute Resolution Process (contractual)	Threatened litigation \$643K owed to Matrix
Michigan	Matrix Service Mid-Continent, Inc.	NEPCO (Enron)	Matrix Service Mid-Continent, Inc. v. NEPCO	IL Bankruptcy Court	Threatened litigation \$121K owed to Matrix (\$18K forthcoming by March 7, 2003)

SCHEDULE 10

SUBSIDIARIES AND OTHER INVESTMENTS  
(See Section 5.8)

SUBSIDIARY -----	STATE OF INCORPORATION/ORGANIZATION -----	OWNERSHIP PERCENTAGE -----
Matrix Service Inc.	Oklahoma	100%
Matrix Service Mid-Continent, Inc.	Oklahoma	100%
Matrix Service, Inc. Canada	Ontario, Canada	100%
Hake Acquisition Corp.	Delaware	100%
Hake Group, Inc.	Delaware	100%
Bogan, Inc. (including Fiberspec, a division)	Pennsylvania	100%
Frank W. Hake, Inc.	Pennsylvania	100%
Hover Systems, Inc.	Pennsylvania	100%
I & S, Inc.	Pennsylvania	100%
McBish Management, Inc.	Pennsylvania	100%
Mechanical Construction, Inc.	Delaware	100%
Mid-Atlantic Constructors, Inc.	Pennsylvania	100%
Talbot Realty, Inc.	Pennsylvania	100%
Bish Investments, Inc.	Delaware	100%
I & S Joint Venture, L.L.C.	Pennsylvania	100%

SCHEDULE 11

ENVIRONMENTAL DISCLOSURES  
(See Section 5.16)

Matrix is a participant in certain environmental activities in various stages involving assessment studies, cleanup operations and/or remedial processes.

In connection with the Company's sale of Brown and affiliated entities in 1999, an environmental assessment was conducted at Brown's Newnan, Georgia facilities. The assessment turned up a number of deficiencies relating to storm water permitting, air permitting and waste handling and disposal. An inspection of the facilities also showed friable asbestos that needed to be removed. In addition, Phase II soil testing indicated a number of volatile organic compounds, semi-volatile organic compounds and metals above the state of Georgia notification limits. Ground water testing also indicated a number of contaminants above the State of Georgia notification limits.

Appropriate State of Georgia agencies have been notified of the findings and corrective and remedial actions have been completed, are currently underway, or plans for such actions have been submitted to the State of Georgia for approval on the remaining property. The current estimated total cost for cleanup and remediation is \$2,100,000, \$100,000 of which remains accrued at May 31, 2002. Additional testing, however, could result in greater costs for cleanup and remediation than is currently accrued.

Matrix closed or sold the business operations of its San Luis Tank Piping Construction Company, Inc. and West Coast Industrial Coatings, Inc. subsidiaries, which are located in California. Although Matrix does not own the land or building, it would be liable for any environmental exposure while operating at the facility, a period from June 1, 1991 to the present. At the present time, the environmental liability that could result from the testing is unknown, however, Matrix has purchased a pollution liability insurance policy with \$5,000,000 of coverage for all operations.

SCHEDULE 12

PAYMENT AND PERFORMANCE BONDS  
(See Section 5.23)

SCHEDULE 13

INDEBTEDNESS  
(See Section 6.11(ii))

1. The Term Loan
2. The Revolving Loan
3. The Hake Group Acquisition carry-back financing not to exceed \$10,000,000

SCHEDULE 14

HAKE GROUP HISTORICAL EBITDA CALCULATIONS

"AMRR" means, for the purposes of calculating Consolidated EBITDA, the average monthly run rate for the Hake Group, equaling the six (6) month period ending December 31, 2002 plus the two (2) month period ending February 28, 2003, divided by eight (8).

EBITDA for the Hake Group shall be determined for the periods described below as follows:

1. For the period ending May 31, 2003, AMRR times nine (9), plus the three (3) month EBITDA calculation from February 28, 2003 to May 31, 2003.
2. For the period ending August 31, 2003, AMRR times six (6), plus the six (6) month EBITDA calculation from February 23, 2003 to August 31, 2003.
3. For the period ending November 30, 2003, AMRR times three (3), plus the nine (9) month EBITDA calculation from February 28, 2003 to November 30, 2003.

Commencing with the February 28, 2004 calculations, AMRR shall be disregarded.

SCHEDULE 15

SALE PROPERTIES

Matrix Service, Inc.  
10701 E. Ute Street  
Tulsa, OK 74116

Matrix Service Company  
4300 E. 36th Street North  
Tulsa, OK 74115

Matrix Service, Inc.  
Pine & 143rd E. Avenue  
Tulsa, Oklahoma

Matrix Service Company  
1045 Keystone Avenue  
Catoosa, OK 74015

SCHEDULE 16

OPERATING LEASES

(limited to annual rental payments of \$50,000 or greater)

Hake Group  
 Required Minimum Lease Arrangements as February 21st 2003

Payee	Description	Location	Serial # / Identifier	Plate/Tag #
Enterprise	Vehicle	Hake	224648	PA DRK4416
Enterprise	Vehicle	Hake	312124	PA DXN1388
Enterprise	Vehicle	Hake	181250	PA DRM3451
Enterprise	Vehicle	Hake	182218	PA DRM3452
Enterprise	Vehicle	Hake	C84623	PA YCG2872
Enterprise	Vehicle	Hake	C84624	PA YCG2878
Enterprise	Vehicle	Hake	C84625	PA YCG2875
Enterprise	Vehicle	Hake	B04732	PA YDZ1901
Enterprise	Vehicle	Hake	A27137	PA YBJ5143
Enterprise	Vehicle	Hake	B70159	PA YDF1829
Enterprise	Vehicle	Hake	C09342	PA YDF1854
Enterprise	Vehicle	Hake	C09341	PA YDF1855
Enterprise	Vehicle	Hake	D78554	PA YFE9058
Enterprise	Vehicle	Hake	D78557	PA YFE9052
Enterprise	Vehicle	Hake	B61024	PA YLE7144
Enterprise	Vehicle	Hake	B65469	PA YBN1460
Enterprise	Vehicle	Hake	A26487	PA YDK4013
Enterprise	Vehicle	Hake	A26488	PA VDK4014
Enterprise	Vehicle	Hake	A26486	PA YCG2888
Enterprise	Vehicle	Hake	C63746	PA YBV9959
Enterprise	Vehicle	Hake	D78558	PA VFE9067
Enterprise	Vehicle	Hake	111060	PA EJF9272
Enterprise	Vehicle	Hake	103317	PA DNF4910
Enterprise	Vehicle	Hake	215691	PA DTM9050
Enterprise	Vehicle	Hake	146286	PA
Enterprise	Vehicle	Hake	109116	PA
Enterprise	Vehicle	Hake	C67035	PA YCG2892
Enterprise	Vehicle	Hake	B52383	PA YHR7687
Enterprise	Vehicle	Hake	A27140	PA YBJ5146
Enterprise	Vehicle	Hake	A27141	PA YBJ5147
Enterprise	Vehicle	Hake	A27142	PA YBJ5149
Enterprise	Vehicle	Hake	B02837	PA YFH0247
Enterprise	Vehicle	Hake	A09900	PA YDF1870
Enterprise	Vehicle	Hake	B74448	PA YFE9041
Enterprise	Vehicle	Hake	B74447	PA YFE9040
Enterprise	Vehicle	Hake	D65192	PA YFE9039
Enterprise	Vehicle	Hake	D65191	PA YFE9038

Enterprise	Vehicle	Hake	D78555	PA YFE9059
Enterprise	Vehicle	Hake	D78556	PA YFE9051
Enterprise	Vehicle	Hake	B83002	PA YJY2804
Enterprise	Vehicle	Hake	B83001	PA YJY2802
Enterprise	Vehicle	Hake	C79057	PA YJY2861
Enterprise	Vehicle	Hake	C79055	PA YJY2863
Enterprise	Vehicle	Hake	C79056	PA YJY2862
Enterprise	Vehicle	Hake	B96200	PA YFX4245
Enterprise	Vehicle	Hake	B99887	PA YFX4237
Enterprise	Vehicle	Hake	E64842	PA YDK4228
Enterprise	Vehicle	Hake	B31156	PA
Enterprise	Vehicle	Hake	B31155	PA
Enterprise	Vehicle	Hake	E19003	PA YFH0220
Enterprise	Vehicle	Hake	E19004	PA YFH0219
Enterprise	Vehicle	Hake	C16457	PA YDF1878
Enterprise	Vehicle	Hake	C79058	PA YJY2944
Enterprise	Vehicle	Hake	284274	PA DXN1238
Enterprise	Vehicle	Hake	B89515	PA EDE2891
Enterprise	Vehicle	Hake	316587	PA DFB6764
Enterprise	Vehicle	Hake	183997	PA DRM3460
Enterprise	Vehicle	Hake	640840	PA DXJ4413
Enterprise	Vehicle	Hake	249692	PA DNH3941
Enterprise	Vehicle	Hake	719121	PA EDR9054
Enterprise	Vehicle	Hake	365248	PA EPP7798
Enterprise	Vehicle	Hake	176396	PA EZH5997
Enterprise	Vehicle	Hake	A37802	PA DNF4919
Enterprise	Vehicle	Hake	147284	PA
Enterprise	Vehicle	Hake	116882	PA
Enterprise	Vehicle	Hake	189588	PA
Enterprise	Vehicle	Hake	B99745	PA YJY2839
Enterprise	Vehicle	Hake	142781	PA YDL1101
Enterprise	Vehicle	Hake	114934	PA YBN1459
Enterprise	Vehicle	Hake	255616	PA DZG0814
Enterprise	Vehicle	Hake	213376	PA DRK4414
Enterprise	Vehicle	Hake	283462	PA DXN1239
Enterprise	Vehicle	Hake	180250	PA DYL6033
Enterprise	Vehicle	Hake	263497	PA DZG9057
Enterprise	Vehicle	Hake	181544	PA EKV6605
Enterprise	Vehicle	Hake	308201	PA EPL0849
Enterprise	Vehicle	Hake	195610	PA EPP8488
Enterprise	Vehicle	Hake	104750	PA DZG1603
Enterprise	Vehicle	Hake	104940	PA DZG1601
Enterprise	Vehicle	Hake	553391	PA
Enterprise	Vehicle	Hake	146160	PA
Enterprise	Vehicle	Hake	C84622	PA YCG2871
Enterprise	Vehicle	Hake	C84621	PA YCG2870
Enterprise	Vehicle	Hake	D85634	PA YHR7743
Enterprise	Vehicle	Hake	A27138	PA YBJ5144
Enterprise	Vehicle	Hake	A27144	PA YBJ5151

Enterprise	Vehicle	Hake	A27145	PA	YBJ5152
Enterprise	Vehicle	Hake	A16234	PA	YBJ5240
Enterprise	Vehicle	Hake	A16231	PA	YBJ5239
Enterprise	Vehicle	Hake	A55171	PA	YFE8929
Enterprise	Vehicle	Hake	A55172	PA	YFE8917
Enterprise	Vehicle	Hake	B74757	PA	YFE9073
Enterprise	Vehicle	Hake	B74756	PA	YFE9068
Enterprise	Vehicle	Hake	B74755	PA	YFE9069
Enterprise	Vehicle	Hake	B74754	PA	YFE9070
Enterprise	Vehicle	Hake	B74753	PA	YFE9072
Enterprise	Vehicle	Hake	B74752	PA	YFE9071
Enterprise	Vehicle	Hake	B39079	PA	YJY2852
Enterprise	Vehicle	Hake	A57047	PA	
Enterprise	Vehicle	Hake	A57046	PA	
Enterprise	Vehicle	Hake	B39080	PA	YJY2850
Enterprise	Vehicle	Hake	B92687	PA	YLN9037
Enterprise	Vehicle	Hake	B92688	PA	YLN9038
Enterprise	Vehicle	Hake	B62767	PA	YDK4133
Enterprise	Vehicle	Hake	B62768	PA	YDK4134
Enterprise	Vehicle	Hake	B24415	PA	YJY2845
Enterprise	Vehicle	Hake	B24416	PA	YJY2844
Enterprise	Vehicle	Hake	A77354	PA	
Enterprise	Vehicle	Hake	C84627	PA	YCG2875
Enterprise	Vehicle	Hake	A69227	PPA	YBG1229
Enterprise	Vehicle	Hake	158907	PA	YBG1224
Enterprise	Vehicle	Hake	156528	PA	YBG1225
Enterprise	Vehicle	Hake	A56609	PA	YHF8687
Enterprise	Vehicle	Hake	A90626	PA	YDF1871
Enterprise	Vehicle	Hake	A88770	PA	YFE8952
Enterprise	Vehicle	Hake	A26620	PA	YFE8950
Enterprise	Vehicle	Hake	A26618	PA	YFE8951
Enterprise	Vehicle	Hake	186450	PA	YFH3327
Enterprise	Vehicle	Hake	186601	PA	YFH0225
Enterprise	Vehicle	Hake	185238	PA	DNF4905
Enterprise	Vehicle	Hake	306132	PA	DXN1366
Enterprise	Vehicle	Hake	120719	PA	
Enterprise	Vehicle	Hake	C84626	PA	YCG2874
Enterprise	Vehicle	Hake	A27143	PA	YBJ5150
Enterprise	Vehicle	Hake	B39320	PA	YDF0951
Enterprise	Vehicle	Hake	C09343	PA	YFX4186
Enterprise	Vehicle	Hake	B83004	PA	YJY2803
Enterprise	Vehicle	Hake	B83005	PA	YJY2806
Enterprise	Vehicle	Hake	B83003	PA	YJY2805
Enterprise	Vehicle	Hake	E64839	PA	YFH0238
Enterprise	Vehicle	Hake	B56842	PA	YJY2807
Enterprise	Vehicle	Hake	309740	PA	DXN1389
Enterprise	Vehicle	Hake	517113	PA	DFR6583
Enterprise	Vehicle	Hake	265873	PA	DTMB997
Enterprise	Vehicle	Hake	255718	PA	DYJ0693

Enterprise	Vehicle	Hake	102627	PA ECT0352
Enterprise	Vehicle	Hake	147422	PA
Enterprise	Vehicle	Hake	148471	PA
Enterprise	Vehicle	Hake	A19692	PA VFX4243
Enterprise	Vehicle	Hake	A08721	TN P173475
Enterprise	Vehicle	Hake	C84619	PA VCG2877
Enterprise	Vehicle	Hake	C84618	PA VDT1834
Enterprise	Vehicle	Hake	C84620	PA VCG2876
Enterprise	Vehicle	Hake	D85633	PA YHR7745
Enterprise	Vehicle	Hake	D85635	PA VHR7746
Enterprise	Vehicle	Hake	A27139	PA VBJ5145
Enterprise	Vehicle	Hake	B70160	PA VDF1830
Enterprise	Vehicle	Hake	B70161	PA VDF1828
Enterprise	Vehicle	Hake	A88681	PA VDF1800
Enterprise	Vehicle	Hake	D49852	PA YFE9024
Enterprise	Vehicle	Hake	A09135	PA YLN9041
Enterprise	Vehicle	Hake	A49905	PA
Enterprise	Vehicle	Hake	152884	PA YJY3611
Enterprise	Vehicle	Hake	C21901	PA VCA3584
Enterprise	Vehicle	Hake	D31915	PA YBG1228
Enterprise	Vehicle	Hake	E64840	PA YFH0237
Enterprise	Vehicle	Hake	B30389	PA
Enterprise	Vehicle	Hake	B30390	PA
Enterprise	Vehicle	Hake	B30391	PA
Enterprise	Vehicle	Hake	A77355	PA
Enterprise	Vehicle	Hake	B31300	PA
Enterprise	Vehicle	Hake	B31299	PA
Enterprise	Vehicle	Hake	B58894	PA VHR7744

Trailer Leases	Trailer	Hake	351072	
Trailer Leases	Trailer	Hake	331033	
Trailer Leases	Trailer	Hake	331032	
Trailer Leases	Trailer	Hake	337000	
Trailer Leases	Trailer	Hake	Q52079	
Trailer Leases	Trailer	Hake	N50198	
Trailer Leases	Trailer	Hake	N50197	
Trailer Leases	Trailer	Hake	N50194	
Trailer Leases	Trailer	Hake	N50195	
Trailer Leases	Trailer	Hake	N50196	
Trailer Leases	Trailer	Hake	N50191	
Trailer Leases	Trailer	Hake	N50192	
Trailer Leases	Trailer	Hake	N50193	
Trailer Leases	Trailer	Hake	N50199	
Trailer Leases	Trailer	Hake	N50200	
Trailer Leases	Trailer	Hake	M50017	
Trailer Leases	Trailer	Hake	331023	
Trailer Leases	Trailer	Hake	351052	

Tractor Lease	Tractor	Hake	218759
Tractor Lease	Tractor	Hake	218762
Tractor Lease	Tractor	Hake	218763
Tractor Lease	Tractor	Hake	218764
Tractor Lease	Tractor	Hake	218767
Tractor Lease	Tractor	Hake	218768

Building Lease (After closing will be at FMV)

Cannon Copier	Copier	Hake	NP6221	Eddystone
Cannon Copier	Copier	Hake	NP6085	Eddystone
Cannon Copier	Copier	Hake	NP6221	Holmes
Cannon Copier	Copier	Hake	GP200	Eddystone
Cannon Copier	Copier	Hake	GP200	Eddystone
Cannon Copier	Copier	Hake	NP6300	Chester
Cannon Copier	Copier	Hake	IR400S	Eddystone
Cannon Fax	Fax	Hake	LC2060	Chester
Cannon Fax	Fax	Hake	LC3170	Eddystone
Cannon Fax	Fax	Hake	LC3170	
Cannon Fax	Fax	Hake	LC2060	Holmes
PB - Postage Meter	Postage Meter	Hake	F9M0	Eddystone
Sharp Copier	Copier	Hake	AR650	Eddystone
Sharp Copier	Copier	Hake	AR407	Eddystone
Sharp Copier	Copier	Hake	AR407	Eddystone
Xerox Fax	Fax	Hake	685	Eddystone
Enterprise	Vehicle	Hake	JL1736	
Enterprise	Vehicle	Hake	JL1737	
Enterprise	Vehicle	Hake	JL1735	
Enterprise	Vehicle	Hake	JL1734	
Enterprise	Vehicle	Hake	JL1701	
Enterprise	Vehicle	Hake	KL1700	
Enterprise	Vehicle	Hake	JL1723	
Enterprise	Vehicle	Hake	JL1892	
Enterprise	Vehicle	Hake	JL1699	
Enterprise	Vehicle	Hake	JL1751	
Enterprise	Vehicle	Hake	JL1733	
Enterprise	Vehicle	Hake	JL1732	
Enterprise	Vehicle	Hake	JL1714	
Enterprise	Vehicle	Hake	JL1891	
Enterprise	Vehicle	Hake	JL1707	
Enterprise	Vehicle	Hake	JL1706	
Enterprise	Vehicle	Hake	JL1705	
Enterprise	Vehicle	Hake	JL1708	
Enterprise	Vehicle	Hake	JL1702	
Enterprise	Vehicle	Hake	JL1715	
Enterprise	Vehicle	Hake	JL1704	

Enterprise	Vehicle	Hake	JL1703
Matrix			
Chrysler Financial	1997 Dodge Ram 1500 PU	Orange	1B7HC16Z0VS103470
Chrysler Financial	1997 Dodge Ram 1500 PU	Orange	1B7HC16Y7VJ526446
Chrysler Financial	1997 Dodge Ram 1500 PU	Orange	1B7HC16Y2VJ526449
Chrysler Financial	1997 Dodge Ram 1500 PU	Orange	1B7HC16Y9VJ540140
Chrysler Financial Tennant Financial Services	1997 Plymouth Voyager SE	Orange	2P4GP453XVR304630
Pitney Bowes	Sweeper	Orange	65006590
	Postage Meter	Orange	B900/E210/N500
	Mita Copiers		37000231 /
Kyocera Mita Financial Mita Financial	(6060/4040/4090) Mita Copier (3010)	Orange Baypoint	37009460/37007459
Pitney Bowes Credit Corporation	Postage Meter	Ati - Bethlehem	SPZL
Kyocera Mita Financial Services	Mita Copiers (4)	Bellingham	
Pitney Bowes Credit Corporation	Postage Meter	Bellingham	33684/8320057/14539
William Scottsman Inc. Pitney Bowes Credit Corporation	1 x 11 Modular	Bellingham	
William Scottsman Inc. Pitney Bowes Credit Corporation	Postage Meter	EC	
William Scottsman Inc. Pitney Bowes Credit Corporation	32x8 Stor-A-Van	EC	
Fidelity Leasing	Postage Meter	EC - Delaware	
Fidelity Leasing	Mita Copier (3245)	EC - Bristol	9870484
William Scottsman Inc.	Mita Copier (3245)	EC - Delaware	2B19870283
	36 x 8 Sharp 405	Fab	ELD06702
New Court Financial US Bancorp Office Equip	Copier/Finisher	Michigan	
Panasonic Credit Company	Minolta D6420 Copier	Michigan	
Panasonic Credit Company	Panasonic Fax Machine	MSC - HR	1981001124
William Scottsman Inc.	Panasonic Fax Machine	MSC - Risk	10005000006
	60 X 48 Modular Offices	Product Div (Eng) Tank	IMC98355/SMI32139/S MI32140/SMI32149
Pitney Bowes	Postage Meter	Construction	
Kyocera Mita Financial	4 Copiers/3 Fax Machines	MSC-Corp	Various--See Lease Agreement

Other

Hugh Gregg 3800 St. Investment Company	Building	Baypoint Tulsa Region	
HLH Properties #3810 Liberty Property Trust #2156	Building	EC-Del 0Ati - Bethlehem	
Port of Catoosa	Land	0Fab Corporate	
Port of Catoosa	Land	EC - Bristol	
STD Assoc #2164	Property	Salt Lake City	
Century East Business Center LLC	Property	St. Louis	
Larry R. Manns	Property		
Property Lease		SLT/WCIC	
MatrixTotal			
		Rental Expense not considered	
Emkay	1995 Ford F250 SuperCab PU	Leases	1FTHX25F65KB65355
Mita Financial	Mita Copiers - 13 (5050/6500)	Baypoint	37004437/37002298
Mita Financial	Mita Copiers - 13 (5050/6500)	MSC	37004437/37002298
Pitney Bowes Credit Corporation	Postage Meter	MSC	
William Scottsman Inc.	60 X 12	Houston Fab	

GRAND TOTAL