

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) **June 5, 2003**

Cross Country Healthcare, Inc.

(Exact name of registrant as specified in its charter)

Delaware	0-33169	13-4066229
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

6551 Park of Commerce Blvd., N.W., Suite 200, Boca Raton, FL 33487
(Address of Principal Executive Office (Zip Code))

(561) 998-2232
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, If Changed Since Last Report.)

Item 2. Acquisition or Disposition of Assets.

On June 5, 2003, Cross Country Healthcare, Inc. (the "Registrant") consummated the acquisition (the "Closing") of substantially all of the assets of Med-Staff, Inc ("Med-Staff") pursuant to the terms of an asset purchase agreement, dated as of May 8, 2003, by and among Cross Country Nurses, Inc., the Registrant, Med-Staff, William G. Davis, Davis Family Electing Small Business Trust and Timothy Rodden (the "Purchase Agreement"). The sole stockholders of Med-Staff are William G. Davis, Davis Family Electing Small Business Trust and Timothy Rodden. The assets acquired at the Closing primarily consist of office equipment, hospital contracts, nurse contracts, office leases, permits, intellectual property and accounts receivables. The Registrant intends to use the acquired assets to continue, operate and grow the business and to package it with its current services.

The Registrant paid Med-Staff \$104 million in cash at the Closing. Additionally, the purchase price is subject to increase up to an additional \$37.5 million if the acquired business meets specified financial targets in the twelve month period ending December 31, 2003. The total consideration was determined through arms-length negotiations between the parties.

The Registrant used \$10 million of its existing cash to fund the acquisition and the balance was obtained in connection with the Registrant's new \$200 million Senior Secured Credit Facility consisting of a 5-year \$75 million revolving credit instrument and a 6-year \$125 million Term Loan B instrument.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement which is incorporated herein by reference as Exhibit 2.1 to this Current Report on Form 8-K.

A copy of the press release announcing the closing of the acquisition is attached hereto as Exhibit 99.1.

Item 5. Other Events and Regulation FD Disclosure.

In conjunction with the Med-Staff acquisition, Cross Country has entered into a new \$200 million Senior Secured Credit Facility consisting of a 5-year \$75 million revolving credit instrument and a 6-year \$125 million Term Loan B instrument. Approximately \$125 million of these funds and \$10 million of existing cash were used to finance the Med-Staff acquisition, to refinance all of Cross Country's existing debt and to pay financing-related fees.

Copies of the Company's press release announcing the closing and the Company's new Credit Agreement are attached as Exhibit 99.1 and 10.1, respectively, and incorporated by reference herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) The required financial statements of the acquired company will be filed by the Registrant pursuant to the requirements of the Securities and Exchange Act and the rules and regulations promulgated there under within 60 days after the date of the event reported in this Form 8-K.

(b) The required pro forma financial information will be filed by the Registrant pursuant to the requirements of the Securities and Exchange Act and the rules and regulations promulgated there under within 60 days after the date of the event reported in this Form 8-K.

(c) Exhibits.

Exhibit	Description
2.1	Asset Purchase Agreement Among Cross Country Nurses, Inc., Cross Country, Inc., Med-Staff, Inc., William G. Davis, Davis Family Electing Small Business Trust and Timothy Rodden dated as of May 8, 2003
10.1	Third Amended and Restated Credit Agreement dated as of June 5, 2003 among Cross Country Healthcare, Inc., The Lenders Party Hereto, Citigroup Global Markets Inc., as Sole Bookrunner and Joint Lead Arranger, Wachovia Securities LCC, as Joint Lead Arranger, Citicorp USA, Inc., as Administrative Agent, Collateral Agent, Issuing Bank and Swingline Lender, Wachovia Bank, National Association, as Syndication Agent, and General Electric Capital Corporation, Key Corporate Capital, Inc., Lasalle Bank N.A., and Suntrust Bank, as Documentation Agents
99.1	Press Release issued by the Company on June 5, 2003

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.

CROSS COUNTRY HEALTHCARE, INC.

By: /s/ DANIEL J. LEWIS

Name: Daniel J. Lewis

Title: Principal Accounting Officer

Dated: June 5, 2003



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ASSET PURCHASE AGREEMENT

AMONG

CROSS COUNTRY NURSES, INC.,

CROSS COUNTRY, INC.,

MED-STAFF, INC.,

WILLIAM G. DAVIS,

DAVIS FAMILY ELECTING SMALL BUSINESS TRUST

AND TIMOTHY RODDEN

DATED AS OF MAY 8, 2003

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of May 8, 2003, among Cross Country Nurses, Inc., a Delaware corporation ("Buyer"), Cross Country, Inc., a Delaware corporation ("Parent"), Med-Staff, Inc., a Pennsylvania corporation ("Seller"), and William G. Davis ("Davis"), Davis Family Electing Small Business Trust (the "Trust") and Timothy Rodden ("Rodden," together with Davis and the Trust, the "Principals").

WITNESSETH:

WHEREAS, Seller is engaged in the business of temporary and permanent healthcare staffing (the "Business"); and

WHEREAS, the Principals own all of the capital stock of Seller; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, substantially all of the assets of Seller used in or related to the Business, on the terms set forth herein; and

WHEREAS, the Principals will receive substantial benefit from such transaction;

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I.
DEFINITIONS

1.01. GENERAL. All Article and Section numbers, and Exhibit and Schedule references used in this Agreement refer to Articles and Sections of this Agreement, and Exhibits and Schedules attached hereto or delivered simultaneously herewith, unless otherwise specifically stated. Any of the terms defined in this Agreement may be used in the singular or the plural. In this Agreement, unless otherwise specifically stated, "hereof," "herein," "hereto," "hereunder" and the like mean and refer to this Agreement as a whole and not merely to the specific Section, paragraph or clause in which the word appears and words importing any gender include the neuter and the other genders.

1.02. DEFINED TERMS. For purposes of this Agreement, including the Exhibits and Schedules, the following defined terms have the meanings set forth in this Section:

"ACCOUNTS RECEIVABLE" means all of the outstanding accounts, notes and other receivables of Seller and the full benefit of all security for such accounts or rights to payment, including, but not limited to, Seller's outstanding accounts receivable and all unbilled fees for services rendered or products sold in connection with the Business prior to the Closing Date and any claim, remedy or other right related to any of the foregoing.

"ACQUISITION PROPOSAL" means an inquiry, offer or proposal regarding any of the following (other than the Contemplated Transactions) involving Seller: any merger, reorganization, consolidation, share exchange, recapitalization, business combination, liquidation, dissolution or other similar transaction involving, or, any sale, lease, exchange, mortgage, pledge, transfer or other disposition of, five percent (5%) or more of the assets or the equity interests of Seller in a single transaction or series of related transactions which could reasonably be expected to interfere with the completion of the Contemplated Transactions (as defined herein).

"ADJUSTED EBITDA" means the audited earnings before interest, income taxes, depreciation and amortization of the Business for the twelve month period ending December 31, 2003 (determined in accordance with generally accepted accounting principles) as adjusted to reflect certain one-time revenues and expenses, including, but not limited to, the following:

(i) plus expenses accrued during 2003 relating to the Med-Staff Phantom Equity Plan and other personal expenses of the Principals mutually agreed upon by the parties that are of a nature that will not be incurred or continued by Buyer after the Closing Date; and

(ii) minus amounts by which SG&A expenses in 2003 as a percentage of revenue are relatively less than those from the prior two-year periods (2001 and 2002) based on reasonableness and consistency, as mutually agreed upon by the parties hereto.

The Principals agree that in calculating the Adjusted EBITDA for the fiscal year ended December 31, 2003, the accrued professional liability expense shall be \$837,500. Adjusted EBITDA shall not include (i) allocations of shared corporate expenses in excess of amounts that would have been incurred by Seller if the transaction had not occurred, (ii) allocation of overhead, executive compensation and employee benefit costs of Parent and its affiliates other than Buyer in its operation of the Business, including, without limitation, the compensation and related expenses associated with any employees of Parent or Buyer who are assigned to assist in the monitoring or integration of the Business, (iii) expenses associated with the consummation of the transactions contemplated by this Agreement (including any accounting and legal fees and expenses incurred in connection with the performance of special procedures in the calculation of Adjusted EBITDA for the period ending December 31, 2003) and (iv) adjustments made in connection with the write-up of assets in connection with the transactions contemplated by this Agreement.

The parties acknowledge and agree that the following expenses incurred by Seller or Seller's successor (not including Buyer or any of its Affiliates) subsequent to the Closing shall not affect the calculation of Adjusted EBITDA: (i) payments made at or after the Closing by Seller or its successor in interest to persons employed by Seller at the time of Closing pursuant to Seller's Phantom Equity Plan or otherwise made as bonus payments contingent upon the Closing, (ii) any taxes or withholding payments made by Seller or its successor in interest associated with payments made pursuant to the preceding clause (i), and (iii) any taxes paid by Seller as a result of the consummation of the Contemplated Transactions, including, without limitation, capital stock tax, gross receipts tax or payroll tax.

"AFFILIATE" means, with respect to any specified Person, at the time at which such status is being determined, (i) any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such specified Person or (ii) any officer, director, partner, member or controlling stockholder of such other Person. For purposes of this definition, the term "control" means (a) the power to direct, or cause the direction of, the management and policies of a Person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract, or otherwise, or (b) without limiting the foregoing, the beneficial ownership of 10% or more of the voting power of the voting common equity of such Person (on a fully diluted basis) or of warrants or other rights to acquire such equity (whether or not presently exercisable).

"AGREEMENT" means this Asset Purchase Agreement.

"ASSUMED CONTRACTS" has the meaning given to such term in Section 2.01(a)(ii).

"ASSUMED LIABILITIES" has the meaning given such term in Section 2.02.

"BASE NET WORKING CAPITAL RANGE" means an amount between and including \$19,100,000 and \$20,300,000.

"BUSINESS" has the meaning given such term in the recitals hereto.

"BUSINESS DAY" means a day that is not a Saturday or Sunday, nor a day on which banks are generally closed in New York City.

"BUYER" has the meaning given such term in the preamble hereto.

"BUYER CLAIMANTS" has the meaning given such term in Section 14.02.

"BUYER GROUP" means, collectively, Buyer, Parent and their Affiliates.

"BUYER PARTIES" means Buyer and Parent.

"BUYER'S STATEMENT" has the meaning given such term in Section 2.06(b)(ii)(A).

"BUYER'S CLOSING STATEMENT" has the meaning given such term in Section 4.02(b).

"BUYER'S STATEMENT DELIVERY DATE" has the meaning given such term in Section 2.06(b)(ii)(A).

"CLAIM" means any claim, demand, suit, action or proceeding.

"CLAIMANT" has the meaning given such term in Section 14.04.

"CLOSING" means the actions to be taken by the parties described in Section 3.03.

"CLOSING DATE" means on or before June 30, 2003 or another date mutually agreed upon in writing by the parties, subject to the terms and conditions herein.

"CLOSING NET WORKING CAPITAL" means the amount equal to (x) Current Assets (minus the sum of (i) cash, cash equivalents, short term investments and marketable securities, (ii) non-transferable Accounts Receivable, (iii) without duplication, Accounts Receivable outstanding in excess of 90 days, (iv) prepaid expenses, rents and deposits for which Buyer is not assuming a corresponding liability hereunder (e.g. deposit on car leases, etc.), and (v) receivables from employees) minus (y) Current Liabilities of Seller (less the sum of (i) accrued state income taxes payable, and (ii) notes payable to any of the Principals and any accrued interest pertaining to such notes), all as of the Closing Date.

"CODE" means the Internal Revenue Code of 1986, as amended, or any successor law or successor regulations issued by the Internal Revenue Service pursuant to the Code or any successor law.

"CONFIDENTIALITY AGREEMENT" has the meaning given such term in Section 8.03(c).

"CONTEMPLATED TRANSACTIONS" means all of the transactions contemplated in this Agreement.

"COVERED PARTIES" has the meaning given such term in Section 8.05.

"CURRENT ASSETS" means the sum of (a) cash and cash equivalents, (b) short-term investments, (c) Accounts Receivable, (d) prepaid expenses (to the extent Buyer derives benefit therefrom following the Closing), (e) receivables from employees, and (f) prepaid rents and deposits (as each item is characterized in the audited balance sheet of the Seller as of December 31, 2002), included within the Financial Statements.

"CURRENT LIABILITIES" means the sum of: (a) Accounts Payable, (b) accrued expenses (excluding accruals for professional liability expense), and (c) accrued payroll and payroll taxes (as each item is characterized in the audited balance sheet of the Seller as of December 31, 2002 included within the Financial Statements).

"DAMAGES" means any and all penalties, fines, damages (whether actual or consequential), liabilities, claims, losses, costs or expenses (including, but not limited to, reasonable Litigation Expenses) whether or not involving a third party claim.

"E&Y" means Ernst & Young LLP.

"EARNOUT DISPUTE PERIOD" has the meaning given such term in Section 2.06(b)(ii)(A) herein.

"EARNOUT PAYMENT" has the meaning given such term in Section 2.06(b) herein.

"EMPLOYEE BENEFIT PLAN" means any "employee benefit plan" (as defined under Section 3(3) of ERISA) and any other health, life, vacation, bonus, deferred compensation, pension, retirement, stock purchase, stock appreciation, severance, post-retirement, individual employment, consulting, retention or change in control or any other employee benefit plan, agreement, trust fund, policy, arrangement or practice (written or unwritten, insured or uninsured).

"ENVIRONMENT" means any surface or subsurface physical medium or natural resource, including, air, land, soil, surface waters, ground waters, drinking water supply, streams, ponds, drainage basins, wetlands, ambient air (including indoor air), plant and animal life, stream and river sediments, biota and any indoor area, surface or physical medium and any other environmental medium or natural resource.

"ENVIRONMENTAL LAWS" means any Law, order or judgment relating to the injury to, or the pollution or protection of, human health and safety (including occupational health and safety) or the Environment.

"ENVIRONMENTAL LIABILITIES" means any claims, judgments, damages (including punitive damages), losses, penalties, fines, liabilities, encumbrances, liens, violations, costs and expenses (including attorneys' and consultants' fees) of investigation, remediation or monitoring, or defense of any matter relating to human health, safety or the Environment of whatever kind or nature by any party, entity or authority, except for normal ongoing operating costs for maintaining compliance with Environmental Laws, (A) which are incurred as a result of (i) the existence of Hazardous Substances in, on, under, at or emanating from any of the Purchased Assets or in connection with the operation of the Business, (ii) the off-site transportation, treatment, storage or disposal of Hazardous Substances generated by the Business, (iii) the violation of or non-compliance with any Environmental Laws, (iv) exposure to any Hazardous Substances, noises, odors or vibrations or (B) which arise under the Environmental Laws. The term "remediation" includes the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss.9601 et seq., as amended.

"ENVIRONMENTAL PERMITS" has the meaning given such term in Section 5.21(d).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder and any successor law, regulations or rules issued pursuant thereto.

"ERISA AFFILIATE" means any entity that would be deemed a "single employer" with the Seller under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

"ESCROW AGENT" means SunTrust Bank.

"FACILITY" means, collectively, the properties located at 295 and 297 South Newtown Street Road, Newtown Square, Pennsylvania 19073 used by Seller to operate the Business.

"FACILITY LEASE" means that certain lease agreement, dated as of June 21, 2001, as amended, by and between Seller and Newtown Street Road Associates relating to the Facility and that certain lease agreement, dated as of June 23, 1998, by and between Seller and Newtown Street Road Associates, as amended.

"FINAL ORDER" has the meaning given such term in Section 15.01(c).

"FINANCIAL STATEMENTS" means (a) the audited balance sheets of Seller as of December 31 in each of the years ended 2000, 2001 and 2002 and the related audited statements of income, stockholders' equity and cash flows for the fiscal years then ended, including the notes thereto, together with the report thereon of E&Y, independent certified public accountants (the "Audited Financial Statements") and (b) the Interim Financial Statements.

"GAAP" means generally accepted accounting principles in the United States.

"GOVERNMENTAL AUTHORITY" means any jurisdiction, whether domestic or foreign, exercising executive, legislative, judicial, police, regulatory, taxing authority, quasi-governmental or administrative functions of government, including, but not limited to, agencies, departments, boards, commissions or other instrumentalities.

"HAZARDOUS SUBSTANCES" means petroleum, petroleum products, petroleum-derived substances, radioactive materials, hazardous wastes, polychlorinated biphenyls, lead-based paint, radon, urea formaldehyde, asbestos or any materials containing asbestos, pesticides and any chemicals, materials or substances regulated under any Environmental Law, or defined as or included in the definition of "hazardous substances," "extremely hazardous substances," "hazardous materials," "hazardous wastes," "hazardous constituents," "toxic substances," "pollutants," "contaminants" or any similar denomination intended to classify or regulate substances by reason of toxicity, carcinogenicity, ignitability, corrosivity or reactivity under any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all deliverables thereof or synthetic substitutes therefor and asbestos or asbestos containing materials.

"HOLDBACK AMOUNT" means the amount equal to the sum of (x) the Purchase Price Holdback Amount and (y) the Indemnity Holdback Amount.

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"INSURANCE POLICIES" means all of the policies of fire, casualty, fidelity, liability, professional liability and other forms of insurance relating to the Business, as set forth in SCHEDULE 5.12.

"INDEBTEDNESS" means without duplication (i) indebtedness for borrowed money, whether secured or unsecured, (ii) obligations under conditional sale or other title retention agreements relating to property or services purchased by such Person, (iii) capitalized lease obligations, (iv) obligations under interest rate cap, swap, collar or similar transaction or currency hedging

transactions (valued at the termination value thereof), (v) all obligations evidenced by notes, bonds, debentures or other similar instruments, (vi) all obligations, contingent or otherwise, as an account party under acceptance, letter of credit or similar facilities, (vii) all obligations, contingent or otherwise, to purchase, redeem retire or otherwise acquire for value any capital stock, (viii) all trade payables, (ix) all guarantee obligations in respect of obligations of the kind referred to in clauses (i) through (viii) above, and (x) all obligations of the kind referred to in clauses (i) through (ix) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) a lien on property (including, but not limited to, accounts and contract rights) owned, whether or not assumed or liabilities for the payment of such obligation.

"INDEMNITOR" has the meaning given such term in Section 14.04(a).

"INDEMNITY CLAIM OBJECTION PERIOD" has the meaning given such term in Section 15.01(a).

"INDEMNITY HOLDBACK AMOUNT" means \$7,500,000, which shall be held in escrow by the Escrow Agent and be paid in accordance with Article XV.

"INDEMNITY HOLDBACK PAYMENT" has the meaning given such term in Section 15.01(b).

"INDEMNITY HOLDBACK PAYMENT DATE" has the meaning given such term in Section 15.01(b).

"INDEMNITY HOLDBACK PAYMENT DEDUCTION" has the meaning given such term in Section 15.01(a).

"INDEMNITY NOTICE" has the meaning given such term in Section 14.04(a).

"INTERIM FINANCIAL STATEMENTS" means an unaudited balance sheet of Seller as of March 31, 2003, and the related unaudited statements of income, stockholders' equity and cash flows for the three (3) months then ended.

"KEY EMPLOYEES" means, collectively, the following: Dave Brower, Dennis Sher, Isabelle Stanshine, Paul Giannaula, Jamie Huston, Jeff Ianotti, Vasken Aznavorian, Eric Stott, Todd Delaney and Debbie Vaden.

"KNOWLEDGE" of any Seller Party means the knowledge, on the date of this Agreement or on the Closing Date, as applicable, of the Principals and Key Employees after having exercised reasonable diligence.

"LAWS" means federal, state or local laws, statutes, ordinances, rules, regulations or directives, whether legislatively, judicially or administratively, promulgated, including, but not limited to, those related to health, safety or the Environment.

"LEASE" has the meaning given such term in Section 5.05(a).

"LEASED REAL PROPERTY" means those parcels of leased real property used in the Business, including, but not limited to, the Facility.

"LEASEHOLD SITES" has the meaning given such term in Section 5.05(a).

"LENDERS" means the senior lenders under Buyer's Second Amended and Restated Credit Agreement, dated as of March 16, 2001 and amended thereafter.

"LETTER OF INTENT" means the letter of intent dated January 10, 2003, between Parent and Seller, as amended on March 28, 2003.

"LICENSE AGREEMENTS" has the meaning given such term in Section 5.17(b).

"LICENSED IP" has the meaning given such term in Section 5.17(b).

"LIEN" means any mortgage, pledge, hypothecation, security interest, agreement to sell, option to buy, right of first refusal, title retention device, restriction on transfer or other lien or encumbrance, including any of the foregoing arising under a deed of trust or indenture.

"LITIGATION EXPENSES" means reasonable attorneys' fees and other costs and expenses incident to investigations or proceedings in respect of, or the prosecution or defense of, a Claim.

"MATERIAL ADVERSE EFFECT" shall mean a material adverse effect on the business, assets, operations, properties, contingent liabilities, material agreements, prospects or condition (financial or otherwise) of the Business. Seller may, however, at its option, include in the Disclosure Schedules items that would not have a Material Adverse Effect within the meaning of the previous sentence in order to avoid any misunderstanding. Disclosure of any items on any Disclosure Schedules shall not be deemed to be an acknowledgment by Seller that such items would have a Material Adverse Effect or further define the meaning of such term for the purposes of this Agreement.

"NET WORKING CAPITAL ADJUSTMENT DISPUTE PERIOD" has the meaning given such term in Section 4.02(c).

"NET WORKING CAPITAL AMOUNT" has the meaning given such term in Section 4.02(a).

"ORDINARY COURSE OF BUSINESS" means an action taken by a Person if:

(i) 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

(ii) 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).

"OTHER CONTRACTS" has the meaning given such term in Section 2.04.

"OTS SOFTWARE" has the meaning given such term in Section 5.17(c).

"OTS SOFTWARE LICENSE" has the meaning given such term in Section 5.17(c).

"OVERAGE AMOUNT" has the meaning given to such item in Section 4.02(a).

"PERMITS" means all governmental, quasi-governmental or regulatory agency licenses, consents, certificates of authority, accreditations, permits, registrations, orders, credentials, authorizations, certifications and approvals held or obtained by or issued to Seller in connection with the operation of the Business.

"PERMITTED LIENS" means (a) Liens for Taxes which are not due and payable or which may thereafter be paid without penalty, or which are being contested in good faith by appropriate proceedings; (b) mechanics', materialmen's, workers', repairmen's, warehousemen's, carriers' and other similar Liens for amounts which are not yet due and payable, or which may be paid without penalty, or which are being contested in good faith by appropriate proceedings; (c) Liens incurred in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other types of social security; and (d) other liens or imperfections on property, individually or in the aggregate, which are not material in amount or which, individually or in the aggregate, do not materially detract from the value of or materially impair the existing use of the property affected by such liens or imperfections.

"PERSON" means any individual, general or limited partnership, firm, trust, association, corporation (including any non-profit corporation), joint venture, unincorporated organization, estate, other business entity or Governmental Authority.

"PRINCIPALS" has the meaning given thereto in the preamble.

"PURCHASE PRICE" has the meaning given such term in Section 2.06.

"PURCHASE PRICE ADJUSTMENT PAYMENT DATE" has the meaning given such term in Section 4.02(a).

"PURCHASE PRICE HOLDBACK AMOUNT" means \$500,000 which shall be held in escrow by the Escrow Agent and to be paid in accordance with Section 4.02.

"PURCHASED ASSETS" has the meaning given such term in Section 2.01(a).

"REAL PROPERTY" has the meaning given such term in Section 5.21(a).

"RELATED PERSON" means with respect to a particular individual:

(i) each other member of such individual's Family (as hereinafter defined);

(ii) any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family;

(iii) any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest (as hereinafter defined); and

(iv) any Person with respect to which such individual or one or more members of such individual's Family serves as a director, officer, partner, member, executor or trustee (or in a similar capacity).

With respect to a specified Person other than an individual:

(i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;

(ii) any Person that holds a Material Interest in such specified Person;

(iii) each Person that serves as a director, officer, partner, member, executor or trustee of such specified Person (or in a similar capacity);

(iv) any Person in which such specified Person holds a Material Interest;

(v) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and

(vi) any Related Person of any individual described in clause (a) or (b) below.

For purposes of this definition, (a) the "Family" of an individual includes (i) the individual, (ii) the individual's spouse, (iii) any other natural person who is related to the individual or the individual's spouse within the second degree, and (iv) any other natural person who resides with such individual, and (b) "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least 50% of the outstanding voting power of a Person or equity securities or other equity interests representing at least 50% of the outstanding equity securities or equity interests in a Person.

"RETAINED ASSETS" has the meaning given such term in Section 2.01(b).

"RETAINED LIABILITIES" has the meaning given such term in Section 2.03.

"SELLER" has the meaning given thereto in the preamble.

"SELLER CLAIMANTS" has the meaning given such term in Section 14.03.

"SELLER CLOSING DISPUTE NOTICE" has the meaning given such term in Section 4.02(c).

"SELLER'S DISPUTE NOTICE" has the meaning given such term in Section 2.06(b)(ii)(A).

"SELLER GRANTS" has the meaning given such term in Section 5.17(d).

"SELLER INFRINGEMENT" has the meaning given such term in Section 5.17(g).

"SELLER IP" collectively, means all intellectual property (other than OTS Software licensed by Seller) that is used or currently being developed by or on behalf of any Seller Party in connection with the Business, including, but not limited to, all of Seller's right, title and interest in and to the name "Med-Staff, Inc." and all derivations thereof, all patents, trademarks, service marks and all goodwill associated therewith, tradenames and service names and all goodwill associated therewith, logos, designs, formulations, copyrights (in both published and unpublished works) and other trade rights and all derivations, registrations and applications therefor, all know-how, trade secrets, patents, patent applications, inventions, confidential information, all versions of software (including, but not limited to, in all cases all source codes, object codes, programs, data, schema, applications, tools, modules, routines and sub-routines), technology, methods, processes, research and development, all telephone numbers, facsimile numbers, e-mail addresses, URLs and Internet domain addresses, all customer and supplier lists as of the Closing Date owned, used or licensed by Seller as a licensee or licensor that Seller has any interest in or has ever used in the Business, the Websites located at those locations set forth on SCHEDULE 5.17(A) attached hereto and all other Websites (including, but not limited to, all forms, images, photographs, graphics and graphic user interfaces, artwork, animation, video, audio, sound recordings, databases, scripts, names, likenesses, testimonials and all other text and content in whatever media that is viewable on or otherwise accessed through the Websites), all HTML elements that express or otherwise relate to the Websites, all computer programs, control panels, surcharge calculators, data files and data bases, notes, flow charts, schema, hypermaps, wireframes and diagrams and software documentation, and all common and civil law rights to the foregoing, all rights to royalties paid by others in respect of any of the foregoing and all claims or causes of actions for infringement thereof.

"SELLER PARTIES" means, individually and collectively, Seller and each of the Principals.

"SELLER PLAN" means any Employee Benefit Plan (1) maintained, sponsored or contributed to (or with respect to which any obligation to contribute has been undertaken) by Seller or any ERISA Affiliate as of the Closing Date on behalf of any director, member or employee of the Business (whether current, former or retired) or their beneficiaries or (2) with respect to which Seller or any ERISA Affiliate has on the Closing Date any obligation or contributed or contributes to on behalf of any such director, member or employee.

"SHORTFALL AMOUNT" has the meaning given to such term in Section 4.02.

"SUBSIDIARIES" of a party means any corporation or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having power to elect at least a majority of the board of directors or other Persons performing similar functions or having power to manage such organization, is directly or indirectly owned or controlled by such party or one or more of its Subsidiaries.

"TANGIBLE ASSETS" means all of the tangible assets used in the Business, including, but not limited to, machinery, office and other equipment, furniture, fixtures, supplies, inventory, furnishings, hardware, computers and related equipment, and business machines, parts and accessories (other than owned or leased vehicles).

"TAX RETURN" means any return, declaration, report, claim for refund or information return or statement relating to Taxes (whether filed with or submitted to any Governmental Authority or required to be filed with or submitted with any Governmental Authority), including any schedule or attachment thereto, and including any amendment or extension thereof.

"TAXES" means all federal, state, county, local, foreign and other taxes (including, but not limited to, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, withholding, employment and payroll related and property taxes, import duties and other governmental charges and assessments), whether attributable to statutory or nonstatutory rules and whether or not measured in whole or in part by net income, and including, but not limited to, interest, additions to tax or interest, charges and penalties with respect thereto imposed on Seller or any of the Purchased Assets.

"TERMINATING BUYER EVENT" has the meaning given such term in Section 13.01(d).

"TERMINATING SELLER EVENT" has the meaning given such term in Section 13.01(c).

"THIRD-PARTY CLAIMS" has the meaning given such term in Section 15.01(c).

"THREATENED" means any claim, proceeding, dispute, action or other matter will be deemed to have been "Threatened" if any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing) with respect to a claim, proceeding, dispute, action, or other matter being asserted, commenced taken, or otherwise pursued in the future.

"TRADE NAMES" has the meaning given such term in Section 5.17(e).

"TRANSACTION DOCUMENTS" means this Agreement, the transfer and assumption documents to be executed at or before the Closing pursuant to Section 3.03, the Transitional Services Agreement and any other document or instrument required to be executed and delivered pursuant hereto.

"TRANSFERRED EMPLOYEES" means (i) Davis, (ii) Rodden, (iii) the Key Employees, (iv) all other employees primarily serving the Business and actively employed as of the Closing Date, and (v) field employees of the Business as of the Closing Date.

"TRANSITIONAL SERVICES AGREEMENT" means the Transitional Services Agreement, in the form of EXHIBIT 10.12 hereto, dated as of the date hereof, between Seller and Buyer.

"WITHHELD AMOUNTS" has the meaning given such term in Section 15.01(c).

ARTICLE II.
PURCHASE AND SALE

2.01. ENUMERATION OF THE PURCHASED ASSETS; RETAINED ASSETS.

(a) On the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller, all right, title and interest of Seller in and to all of the assets, rights and properties that are owned or leased by Seller and utilized in connection with the Business, other than the Retained Assets (collectively, the "Purchased Assets"), including, but not limited to:

(i) the Tangible Assets, including those set forth on SCHEDULE 2.01(A)(I);

(ii) subject to Section 2.04, all of the contracts and amendments of Seller relating to the Business set forth on SCHEDULE 2.01(A)(II) (the "Assumed Contracts");

(iii) the Seller IP;

(iv) the Accounts Receivable (other than intercompany and other non-transferable accounts receivable);

(v) to the extent legally transferable or assignable, all right, title and interest in and to any and all Permits held in connection with the Business;

(vi) all books, records, general ledgers, operating data, employee records, computer records and other data of Seller relating to the Business, including, but not limited to, all customer and supplier lists, payment invoices, billing records, correspondence, all records, documents or data relating to accounting and financial information and all other sales and marketing information which relate to the Business and related information of the Business or used by the Business, all rights of Seller in all telephone and facsimile numbers and post office boxes used in connection with the Business, as well as all existing catalogs and other support material, advertising plans of any kind, sales literature, marketing material and related items (including, but not limited to, all art work and printers' plates presently in the possession of Seller's advertising agencies and printers);

(vii) subject to Section 2.01(b)(vii), all right, title and interest to all causes of action, claims and rights in litigation or which could result in litigation against any party pertaining to the Business or the Purchased Assets;

(viii) all deposits and prepaid expenses relating to the Purchased Assets;

(ix) all of the goodwill and other intangibles pertaining or relating to the Business and the Purchased Assets; and

(x) all Licensed IP.

(b) The following assets of Seller (collectively, the "Retained Assets") shall not be included in the Purchased Assets:

(i) all cash, cash equivalents and investments, except to the extent held in escrow for the benefit of the Business or contractually required to be so held (e.g. prepaid expenses, deposits, bonds, etc.);

(ii) except as set forth on SCHEDULE 2.01(A)(II), Seller's Insurance Policies and rights in connection therewith;

(iii) all claims (and benefits to the extent they arise therefrom) and litigation against third parties to the extent that such claims and litigation relate to any Retained Assets or any Retained Liabilities;

(iv) Seller's corporate minutes, tax returns and other records having to do solely with such party's organization and/or capitalization, any books and records that such party is required by law to retain, and any books and records relating solely to Retained Assets and/or Retained Liabilities; provided, however, that Seller will promptly provide Buyer with copies thereof upon Buyer's reasonable request;

(v) any rights to any of Seller's claims for any federal, state or local tax refunds;

(vi) any Seller Plans not listed on SCHEDULE 2.01(A)(II) or SCHEDULE 12.04 attached hereto;

(vii) all assets, if any, listed on SCHEDULE 2.01(B) hereto;

and

(viii) any rights which accrue or will accrue to Seller under this Agreement or the Contemplated Transactions.

2.02. ASSUMPTION OF LIABILITIES. At the Closing, Buyer shall not be liable for and is not assuming any liabilities of the Seller Parties whatsoever, other than (i) liabilities relating exclusively to the Purchased Assets or the Business, (ii) liabilities of Seller accruing in the Ordinary Course of Business, other than all liabilities relating to litigation or resulting from claims regarding breach of contract, death, personal injury, malpractice, all liabilities relating to or arising out of obligations of any Seller Party to any of their Affiliates, directors or officers, all liabilities relating to Taxes which arose prior to the Closing Date, all liabilities regarding retirement and post retirement benefits and all liabilities to present and past employees of Seller for severance payments other than those arising under the Seller Plans set forth on SCHEDULE 12.04 attached hereto and referred to in Sections 12.03 and 12.04 herein and (iii) liabilities accruing or arising after the Closing Date under the Assumed Contracts in force and effect as of the Closing Date (other than liabilities arising out of a breach or default prior to the Closing Date)(collectively, the "Assumed Liabilities").

2.03. RETAINED LIABILITIES. Except as otherwise provided in this Agreement, Buyer will not assume or be responsible for any, and each of the Seller Parties shall be and remain liable and responsible for, all obligations, liabilities, commitments and Indebtedness of any of the Seller Parties not specifically assumed by Buyer under Section 2.02 (the "Retained Liabilities"). Retained Liabilities include, among other things: (i) all liabilities of Seller under Seller's Phantom Equity Plan; (ii) all liabilities of Seller as a result of any claims arising in connection with breach of contract, death or personal injury, losses or damages caused by or resulting from the provision of any services by Seller prior to the Closing Date; (iii) all liabilities of Seller for Taxes; and (iv) all liabilities of Seller for wages, severance payments and employee benefits to the extent not fully accrued for by Seller in the calculation of the Closing Net Working Capital; (v) all liabilities for vacation and sick time to the extent not fully accrued for by Seller in the calculation of the Closing Net Working Capital; and (vi) liabilities of Seller Plans not listed on SCHEDULE 2.01(A)(II) or SCHEDULE 12.04 attached hereto. Seller shall retain all Retained Liabilities and shall discharge all such liabilities as and when due.

2.04. OTHER CONTRACTS. Anything contained in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign or transfer, or an assignment or transfer of, any claim, contract, agreement or commitment of Seller or any claim or right to any benefit arising thereunder or resulting therefrom, if an attempted assignment or transfer thereof, without the consent to such assignment or transfer by the other parties thereto, would constitute a breach thereof or in any way adversely affect the rights of Seller thereunder (the "Other Contracts"). In each case in which consent of a third party is required for assignment or transfer of such Other Contract to Buyer, Seller shall use its best efforts to obtain, and Buyer hereby agrees to cooperate with Seller in its efforts to obtain, such consent in a form acceptable to Buyer. If such consent is not obtained, Seller, the Principals and Buyer shall cooperate in an effort to provide Buyer the benefits and relieve Seller of the obligations under such Other Contract, including, but not limited to, Seller appointing Buyer as its subcontractor with respect to such Other Contract.

2.05. NO ENCUMBRANCES. The sale, conveyance, assignment, transfer and delivery of the Purchased Assets hereunder shall be free and clear of any and all Liens, and shall be free and clear of all obligations and liabilities of the Seller Parties, except for Assumed Liabilities.

2.06 CONSIDERATION. In consideration of the aforesaid sale, assignment, transfer and delivery of the Purchased Assets, Buyer and/or Parent shall deliver the following payments to Seller:

(a) On the Closing Date, Buyer shall deliver to Seller:

(i) an amount of cash equal to \$100,000,000 as consideration for the Assets; and

(ii) \$4,000,000 as consideration for Seller and the Principals agreeing to structure the proposed transaction as a purchase of assets in lieu of a purchase of all of the issued and outstanding capital stock of Seller;

(iii) less the Holdback Amount, which shall be deposited by Buyer with the Escrow Agent on the Closing Date.

The payment calculated in accordance with this Section 2.06(a) and paid by Buyer to Seller shall be referred to as the "Closing Date Payment."

(b) (i) If, and only if, the Adjusted EBITDA of the Business for the year ending 2003 is equal to or greater than \$19,250,000 and subject to the provisions in Article IV herein and the terms and conditions set forth in Section 2.06(b)(ii) below, Buyer shall pay Seller the additional amounts set forth below (the "Earnout Payment") based on the Adjusted EBITDA of the Business for the period commencing on January 1, 2003 and ending on December 31, 2003:

2003 ADJUSTED EBITDA	EARNOUT PAYMENT
= \$19.25 million	\$5 million
> \$19.25 < \$20.25 million	\$5 million, plus \$5.00 for each \$1.00 of incremental Adjusted EBITDA in excess of \$19.25 million
>\$20.25 < \$21.25 million	\$10 million, plus \$12.50 for each \$1.00 of incremental Adjusted EBITDA in excess of \$20.25 million
> \$21.25 < \$22.25 million	\$22.5 million, plus \$8.70 for each \$1.00 of incremental Adjusted EBITDA in excess of \$21.25 million
> \$22.25 < \$23.25 million	\$31.2 million, plus \$3.80 for each \$1.00 of incremental Adjusted EBITDA in excess of \$22.25 million
> \$23.25 < \$24.25 million	\$35.0 million, plus \$2.50 for each \$1.00 of incremental Adjusted EBITDA in excess of \$23.25 million
>\$24.25 million	\$37.5 million

(ii) (A) Within seventy-five (75) days after December 31, 2003 (the "Buyer's Statement Delivery Date"), Buyer shall prepare and deliver to Seller a statement, prepared in accordance with GAAP using the accrual method of accounting (the "Buyer's Statement") showing in reasonable detail calculations of Adjusted EBITDA and the Earnout Payment, if any, payable in respect thereof and which shall be delivered to Seller. Seller shall have a period of fifteen (15) Business Days after receipt of the Buyer's Statement (the "Earnout Dispute Period") within which to dispute the calculations set forth therein by means of a written notice of dispute setting forth in reasonable detail the grounds for such dispute ("Seller's Dispute Notice"). If Seller does not timely deliver Seller's Dispute Notice, the calculations set forth in the Buyer's Statement shall be final and binding on Seller and the Principals and Buyer shall thereafter promptly pay Seller any Earnout Payment detailed in the Buyer's Statement. Seller may, at any time during the Earnout Dispute Period, provide written notice to Buyer that Seller has agreed to the Earnout Payment detailed in the Buyer's Statement (which notice shall be irrevocable once received by Buyer), in which case Buyer shall pay to Seller such Earnout Payment within ten (10) Business Days after Buyer has received such written notice.

(B) If Seller timely delivers a Seller Dispute Notice within the Earnout Dispute Period, the dispute shall be resolved as set forth in this clause (B). Buyer and Seller shall first use their commercially reasonable efforts to resolve any dispute for a period of ten (10) days after Buyer has received the Seller Dispute Notice. If no resolution is achieved during such period, Buyer and Seller agree that PriceWaterhouse Coopers shall be retained by them to resolve the remaining elements of such dispute as soon as reasonably practicable based on a review of the Buyer's Statement, relevant books and records, work papers and other information supplied from time to time by Buyer and Seller, including, without limitation, the Seller Dispute Notice. PriceWaterhouse Coopers shall communicate its resolution to Buyer and Seller in writing as promptly as practicable after being retained and that resolution shall be final and binding upon Buyer, Seller and the Principals. If any unresolved dispute is submitted to PriceWaterhouse Coopers in accordance with this Section 2.06(b)(ii)(B), Buyer shall pay 50% of the fees and expenses of PriceWaterhouse Coopers and Seller and the Principals shall, jointly and severally, pay the other 50% thereof; provided, however, that all fees and expenses of Buyer's own accountants, advisors or other representatives, if any, shall be paid by Buyer and the fees and expenses of Seller's and the Principals own accountants, advisors or other representatives, if any shall be paid by them.

(C) Upon the final determination of an Earnout Payment pursuant to Section 2.06(b)(ii)(B), Buyer shall pay to Seller within five (5) Business Days thereafter the finalized Earnout Payment, if any.

(D) The Earnout Payment shall be paid by Buyer, at Seller's discretion, either (i) by certified or official bank check payable to the order of Seller or (ii) by wire transfer of federal funds to an account as Seller shall direct in writing on or before the Earnout Determination Date.

The payments required to be made by Buyer to Seller pursuant to this Section 2.06 are collectively referred to herein as the "Purchase Price." Those portions of the Purchase Price set forth in Sections 2.06(a) and (b) above are subject to further adjustment pursuant to Section 4.02 and Section 15.01 hereof.

ARTICLE III. CLOSING

3.01. CLOSING DATE. Unless otherwise agreed by the parties in an amendment to this Agreement, executed and delivered in accordance with Section 20.04, the Closing shall take place on the third Business Day after all conditions set forth in Articles X and XI have been satisfied or waived.

3.02. TIME AND PLACE OF CLOSING; SIMULTANEITY. Subject to fulfillment or waiver of the conditions set forth in Articles X and XI, the Closing shall take place at 10:00 a.m. local time on the Closing Date at the offices of Proskauer Rose LLP or at such other time or place, as shall be mutually agreed upon by the parties. All of the actions to be taken and documents to be executed and delivered at the Closing shall be deemed to be taken, executed and delivered

simultaneously, and no such action, execution or delivery shall be effective until all actions to be taken and executions and deliveries to be effected at the Closing are complete. Each document of transfer or assumption executed and delivered pursuant to this Agreement must be reasonably satisfactory in form and substance to Seller and Buyer.

3.03. ACTIONS AT THE CLOSING. At the Closing, on the terms and subject to the conditions set forth in this Agreement:

(a) Seller will execute and deliver to Buyer bills of sale, instruments of assignment and other instruments of transfer for the Purchased Assets, in form reasonably satisfactory to Buyer;

(b) Buyer will pay the amounts payable on the Closing Date to Seller and the Escrow Agent under Section 2.06 herein by wire transfer of federal funds to such account as Seller and the Escrow Agent, as the case may be, shall direct in writing at least three (3) Business Days before the Closing Date;

(c) The respective Buyer Parties and Seller Parties will deliver such certificates, opinions and other documents as are required by Articles X and XI; and

(d) The respective Buyer Parties and Seller Parties will deliver all other documents, instruments and writings reasonably required to consummate the Contemplated Transactions.

3.04. ALLOCATION OF PURCHASE PRICE AND ASSUMED LIABILITIES. The Purchase Price shall be allocated for tax reporting purposes in the manner set forth in SCHEDULE 3.04 attached to this Agreement. Buyer and Seller declare that the valuation of the Purchased Assets and the Assumed Liabilities has been determined in good faith and as the result of arms' length bargaining and Buyer and Seller agree that no position inconsistent with the allocation agreed to by Buyer and Seller shall be taken by either party before any governmental or judicial authority. Buyer and Seller agree to file Internal Revenue Service Form 8594 in accordance with the agreed upon allocation referenced in SCHEDULE 3.04.

ARTICLE IV.
NET WORKING CAPITAL ADJUSTMENT

4.01. CLOSING OF BOOKS. Seller and Buyer shall cooperate to close Seller's books and related accounting records of Seller relating to the Business effective as of 12:01 a.m. local time on the Closing Date.

4.02. NET WORKING CAPITAL ADJUSTMENT.

(a) If the Closing Net Working Capital is within the Base Net Working Capital Range, then there shall be no adjustment to the Purchase Price and, in such event, Seller and Buyer shall jointly instruct the Escrow Agent to deliver to Seller the Purchase Price Holdback Amount. If the Closing Net Working Capital

is below the Base Net Working Capital Range, then the Purchase Price shall be adjusted by an amount equal to the Closing Net Working Capital minus the low end of the Base Net Working Capital Range (\$19,100,000). If the Closing Net Working Capital is above the Base Net Working Capital Range, then the Purchase Price shall be adjusted by an amount equal to the Closing Net Working Capital minus the high end of the Base Net Working Capital Range (\$20,300,000). If the calculation provided in the two immediately preceding sentences results in a positive number, the Purchase Price shall be increased by such amount (the "Overage Amount"). If the Purchase Price is to be increased, (x) Seller and Buyer shall jointly instruct the Escrow Agent to deliver to Seller the Purchase Price Holdback Amount and (y) Buyer shall remit the Overage Amount to Seller. If the calculation provided in the first sentence of this Section 4.02(a) results in a negative number, the Purchase Price shall be decreased by the absolute value of such amount (the "Shortfall Amount"). If the Purchase Price is to be decreased, the Seller and Buyer shall jointly instruct the Escrow Agent to pay to Buyer from the Purchase Price Holdback Amount, the Shortfall Amount and the portion, if any, of the Purchase Price Holdback Amount that exceeds the Shortfall Amount shall be paid by the Escrow Agent to Seller. If the Shortfall Amount exceeds the Purchase Price Holdback Amount, Seller and Buyer shall jointly instruct the Escrow Agent to pay Buyer the full Purchase Price Holdback Amount. In addition, Seller shall pay to Buyer an amount equal to (x) the Shortfall Amount, minus (y) the Purchase Price Holdback Amount. All payments to be made pursuant to this Section shall be made on a date (the "Purchase Price Adjustment Payment Date") on or before the fifth Business Day after the date of the final determination of the Net Working Capital Amount.

(b) Within sixty (60) days following the Closing Date, Buyer shall prepare and deliver to Seller a statement, prepared in accordance with generally accepted accounting principles (the "Buyer's Closing Statement"), showing the Closing Net Working Capital as well as the calculation of the Net Working Capital Amount. Upon and after delivery to Seller of the Buyer's Closing Statement, Seller and Seller's independent accountants shall be given access to Buyer's working papers to facilitate Seller's review of the calculation of the Net Working Capital Amount. The parties agree that any Accounts Receivable on Seller's balance sheet dated December 31, 2002 that are uncollected on or prior to the Closing Date and not fully reserved for on the Interim Financial Statements shall be written off as of the Closing Date. Any such write-off shall not negatively impact the calculation of Closing Net Working Capital.

(c) Seller shall have thirty (30) days after receipt of the Buyer's Closing Statement (such 30-day period being, the "Net Working Capital Adjustment Dispute Period") within which to dispute the calculations set forth in the Buyer's Closing Statement by delivering a written notice of dispute, setting forth in reasonable detail the grounds for such dispute (the "Seller Closing Dispute Notice"). If Seller does not timely deliver a Seller Closing Dispute Notice, the calculation of the Net Working Capital Amount set forth in the Buyer's Closing Statement shall be final and binding on Seller. If Seller timely delivers a Seller Closing Dispute Notice within the Net Working Capital Adjustment Dispute Period, Buyer and Seller shall promptly use their commercially reasonable efforts to resolve such dispute through negotiation for a period of ten (10) Business Days following the date of Buyer's receipt of the Seller Closing Dispute Notice. If no resolution is achieved during such period, Buyer and Seller agree that Pricewaterhouse Coopers shall be retained by them to resolve the remaining elements of such dispute as soon as reasonably practicable. Pricewaterhouse Coopers shall communicate its resolution to Buyer and Seller in writing as promptly as practicable after being retained and that resolution shall be final and binding upon Buyer, Seller and the Principals. If

any unresolved dispute is submitted to PriceWaterhouse Coopers in accordance with this Section 4.02(c), Buyer shall pay 50% of the fees and expenses of PriceWaterhouse Coopers and Seller and the Principals shall, jointly and severally, pay the other 50% thereof; provided, however, that all fees and expenses of Buyer's own accountants, advisors or other representatives, if any, shall be paid by Buyer and the fees and expenses of Seller's and the Principals own accountants, advisors or other representatives, if any, shall be paid by them.

ARTICLE V.
SELLER PARTIES' REPRESENTATIONS AND WARRANTIES

With the understanding that Buyer and Parent intend to rely hereon, Seller and each of the Principals, jointly and severally, represent and warrant to Buyer and Parent (which warranties and representations shall survive the Closing to the extent set forth in Section 14.01 herein regardless of what examinations, inspections, audits and other investigations Buyer and Parent have made or may hereafter make, with respect to such warranties and representations), as of the date hereof and as of the Closing Date as follows:

5.01. SELLER PARTIES STATUS AND AUTHORITY, OWNERSHIP, ETC.

(a) STATUS AND AUTHORITY. Seller is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has full corporate power and authority to conduct its business as it is now being conducted, to own and use the properties and assets that it purports to own or use and to perform all of its obligations under the Assumed Contracts. In connection with the Business, Seller is licensed or qualified to transact business and is in good standing as a foreign corporation in each jurisdiction set forth on SCHEDULE 5.01(A), which are all the jurisdictions where the failure of the Business to be so qualified would, individually or in the aggregate, have a Material Adverse Effect. Each of the Seller Parties has all requisite power and authority to execute, deliver and perform its/his obligations under the Transaction Documents to which it/he is or will be a party. A true, correct and complete copy of the Articles of Incorporation, Bylaws and any shareholders' agreements or voting agreements among shareholders (including all amendments and modifications thereto) are attached hereto as SCHEDULE 5.01(A). Such Articles of Incorporation and Bylaws of Seller are in full force and effect and have not been amended since the date thereof and Seller is not in default thereunder, as applicable. True, correct and complete copies of the documents governing the Trust have been provided to Buyer and such documents are in full force and effect and have not been amended since the date thereof and the Trust is not in default thereunder.

(b) COMPANY OWNERSHIP. The Principals own, of record and beneficially, all of the capital stock of Seller, free and clear of any Liens. There are no other rights, options or warrants outstanding to purchase equity. Seller is not a participant in any joint venture, partnership or similar arrangement and does not own of record, beneficially or equitably any capital stock, securities or other ownership interest, directly or indirectly, in any other firm, corporation or entity other than short-term investments.

5.02. AUTHORIZATION; CONSENTS.

(a) The execution and delivery by each Seller Party of the Transaction Documents to which it/he is or will be a party and the performance by the Seller Parties of their respective obligations hereunder and thereunder have been duly authorized by all required corporate and shareholder action, and no other corporate proceedings or shareholder actions are necessary to approve and authorize the execution and delivery of the Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

(b) Except as set forth on SCHEDULE 5.02(B), no Seller Party is nor will be required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions herein where the failure to give such notice(s) or obtain such consent(s) would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, including, but not limited to the assignment of the Assumed Contracts.

5.03. EXECUTION AND DELIVERY. Each of the Seller Parties has duly and validly executed and delivered the Transaction Documents to which it/he is a party and which are being executed and delivered simultaneously with this Agreement; and such Transaction Documents are legal, valid and binding obligations of the respective Seller Parties, as applicable, enforceable against such parties in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer, marshalling or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity (whether or not considered in a proceeding at law or in equity). The remaining Transaction Documents to which the respective Seller Parties will be a party, when executed and delivered at the Closing, will be duly and validly executed and delivered by the appropriate Seller Parties and upon such execution and delivery, will be legal, valid and binding obligations of the respective Seller Parties, enforceable against such parties in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer, marshalling or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity (whether or not considered in a proceeding at law or in equity).

5.04. NO CONFLICT. The execution and delivery by each of the Seller Parties of the Transaction Documents to which it/he is or will be a party, and such party's performance of its/his obligations hereunder and thereunder, does not and will not, directly or indirectly (with or without notice or lapse of time, or both): (i) conflict with or violate any provision of the Articles of Incorporation, Bylaws, shareholders' agreement or other organizational documents of the Seller or the Trust; (ii) conflict with or violate, result in a breach of or constitute a default (or an event which, with or without notice, lapse of time or both, would constitute a default) under or result in the invalidity of, or accelerate the performance required by or cause or give rise to any right of acceleration, termination or modification of any right or obligation pursuant to any agreement or contract to which any of the Seller Parties is a party or by which any of them (or any of their respective assets) is subject or bound, including, but not limited to, the Assumed Contracts, which event, individually or in the aggregate, would reasonably be expected to have a Material Adverse

Effect; (iii) conflict with, or result in a violation of, or give any Governmental Authority or other Person the right to challenge the Contemplated Transactions or to exercise any remedy or obtain any relief under, any legal requirement or any order to which the Seller Parties or any of the Purchased Assets are subject; (iv) result in the imposition or creation of, or give any party the right to create, any Lien upon any of the Purchased Assets; (v) violate, result in a breach of or constitute a default (or an event which, with or without notice, lapse of time or both, would constitute a default) under any judgment, decree, order, writ, injunction or process of any Governmental Authority binding upon the Seller Parties or any of their respective businesses or properties, including the Purchased Assets; (vi) assuming that the parties comply with the requirements of the HSR Act, violate any Law applicable to either the Seller Parties or any of their respective businesses or properties, including the Purchased Assets; (vii) except as required by the HSR Act, require any of the Seller Parties to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Person where such event, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect; or (viii) cause Buyer to become subject to, or to become liable for the payment of, any tax, except as set forth on SCHEDULE 5.04.

5.05. LEASES; ASSUMED CONTRACTS.

(a) SCHEDULE 5.05(A) sets forth a description of the Leased Real Property and any rights of third parties to occupy space at such leased premises. Seller enjoys peaceful possession of all such property. None of the Seller Parties or any of their Affiliates owns any real property used in the Business. Seller has valid and subsisting leasehold interests in each of the leasehold sites listed on SCHEDULE 5.05(A) (the "Leasehold Sites") pursuant to a written lease a true and correct copy of which has been delivered to Buyer (each a "Lease"), and Seller has not encumbered any such leasehold interest, except for Permitted Liens. No condition exists under any such Lease which, with notice, lapse of time or both, would constitute a default thereunder by Seller or, to the Seller Parties' Knowledge, any other party thereto. Seller has not granted or been granted any material waiver or forbearance with respect to any such Lease. Except as set forth on SCHEDULE 5.05(A), there are no leases, subleases, licenses, occupancy agreements, options, rights, concessions or other agreements or arrangements, whether written or oral, pursuant to which a Seller Party has granted to any person the right to purchase, lease, use, possess or occupy any of the Leasehold Sites or any portion thereof, or any interest in any of the Leasehold Sites. Seller is in material compliance with all Laws applicable to, and has all Permits necessary for the use, occupancy, operation or maintenance of, each of the Leasehold Sites. No brokerage or leasing commissions are or may be due and payable by Seller with respect to any such Lease or any renewal or extension thereof.

(b) Seller has delivered to Buyer true and correct copies of all written Assumed Contracts and summaries of all oral Assumed Contracts. Attached hereto as SCHEDULE 5.05(B) is a list of all Assumed Contracts (except those made in the Ordinary Course of Business and requiring annual payments or liabilities of Seller of \$186,000 or less), including those which relate to the Purchased Assets or the operation of the Business and (i) under which Seller has any present or potential liability or obligation, or from which Seller derives, or may in the future derive, a benefit, (ii) which involve annual payments or liabilities of Seller in excess of \$100,000, (iii) which relate to the license of any Seller IP by or from Seller (other than licenses arising from the

purchase of OTS Software or other standard products), (iv) which contain provisions restricting or affecting the development, manufacture or distribution of Seller's products or services, or (v) which provide for indemnification by Seller. Neither Seller nor, to the Seller Parties' Knowledge, any other party, is in breach of or default under any Assumed Contract, except where such breach or such default would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and to the Seller Parties' Knowledge, there exists no event or condition which (whether with or without notice, lapse of time or both) could reasonably be expected to constitute a default thereunder, gives rise to a right to accelerate or terminate any provision thereof or gives rise to any Lien on the Purchased Assets, except for those defaults, accelerations, terminations or Liens that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and no party to any of the Assumed Contracts, including the Leases, has made or asserted any claim or defense, set-off or counterclaim under any Assumed Contract or Lease or has exercised any option granted to it to cancel or terminate such agreement to shorten the term of such agreement or to extend or renew such agreement, and Seller has not received any notice to that effect. Each Assumed Contract is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms, of Seller, and, to the Seller Parties' Knowledge, each other party thereto. Except as set forth on SCHEDULE 5.05(B), no Seller Party is restricted by any agreement or other commitment from carrying on the Business in any area of the world. None of the Assumed Contracts has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There are no current renegotiations of, or outstanding rights to renegotiate any material amounts paid or payable to Seller under current or completed Assumed Contracts with any Person and, to the Knowledge of Seller and the Principals, no such Person has made written demand for such renegotiation.

5.06. TANGIBLE ASSETS. Attached hereto as SCHEDULE 2.01(A)(I) is a true and correct list or description of the material Tangible Assets. Each of the Tangible Assets is in good and operable condition, reasonable wear and tear excepted, and is reasonably fit and usable for the purpose for which it is being used.

5.07. TITLE TO PURCHASED ASSETS; ABSENCE OF LIENS. Seller owns or leases all of the Purchased Assets. Seller has good and valid title to all of the Purchased Assets, and in the case of leased or subleased items of Tangible Assets, real property or intangible personal property used in the Business, valid and subsisting leasehold interest therein, free and clear of (i) any Lien other than Permitted Liens which will be discharged prior to the Closing Date, or (ii) any adverse claims by any third parties. At the Closing and upon consummation of the Contemplated Transactions, Buyer will receive good and valid title to the Purchased Assets, free and clear of all Liens. The Purchased Assets are substantially the same as were held by Seller on December 31, 2002, except for changes occurring in the Ordinary Course of Business.

5.08. THE BUSINESS. The Purchased Assets include all rights, properties, interests and assets that are necessary to permit Seller to carry on the Business as presently conducted. All of the assets and liabilities held by Medical Professional Contractors, Inc. and relating to the Business have been or will be transferred to Seller at or prior to the Closing Date.

5.09. RELATED PERSONS.

(a) Except as set forth on SCHEDULE 5.09, there are no obligations of Seller to officers, directors or employees of Seller or their Related Persons other than (a) for payment of salary, bonuses or other compensation for services rendered in such capacity and (b) reimbursement for reasonable expenses incurred in such capacity on behalf of Seller. Except as set forth on SCHEDULE 5.09(A)(I), no officer, director or employee of Seller or any of their Related Persons are indebted to Seller or have (and in the case of employees, to the Seller Parties' Knowledge) any direct or indirect ownership interest in any Person (i) with which Seller is an Affiliate, or with which Seller has a business relationship or (ii) that competes with Seller, except that such officers, directors or employees of the Seller may own up to five percent (5%) of the securities of any company listed on a national securities exchange or quoted on the Nasdaq Stock Market that competes with Seller. Except as set forth on SCHEDULE 5.09(A)(II), none of the officers, directors or employees of Seller or their Related Parties is, directly or indirectly, interested in any Assumed Contract.

(b) Except as set forth on SCHEDULE 5.09(B)(I), as of the date of this Agreement, (i) there are no intercompany liabilities or obligations relating to the Business between any of Seller, the Principals, their Affiliates, their shareholders or Related Persons, (ii) no shareholder of Seller causes to be provided, or has any interest in any agreement for the provision of, any assets, services or facilities relating to the Business, (iii) neither Seller nor either of the Principals provides, or has any interest in any agreement for the provision of, any assets, services or facilities to the Business and (iv) none of Seller, the Principals or their Affiliates has any direct or indirect ownership interest in any Person with which Seller has a business relationship. Each of the liabilities and transactions listed in SCHEDULE 5.09(B)(I) was incurred or engaged in, as the case may be, on an arm's-length basis. Except as disclosed in SCHEDULE 5.09(B)(II), all settlements of intercompany liabilities relating to the Business between Seller, the Principals, and any of their Affiliates have been made, and all allocations of intercompany expenses have been applied, in the Ordinary Course of Business consistent with past practice. As of the date hereof and as of the Closing Date, neither the Principals nor their Affiliates have or will have any claims against Seller, except for claims arising out of the Contemplated Transactions.

5.10. LITIGATION; INVESTIGATIONS.

Except as set forth in SCHEDULE 5.10, there have not been in the past three (3) years, nor are there currently, any actions, suits or proceedings pending or, to the Seller Parties' Knowledge, actions, suits, investigations or proceedings Threatened against the Seller Parties (i) with respect to the Purchased Assets or the Business, (ii) with respect to the Agreement, the Transaction Documents or Contemplated Transactions, (iii) which may result, either individually or in the aggregate, in a Material Adverse Effect, (iv) which may result in any change in the current ownership of Seller, or (v) involving any of Seller's employees, directors or officers (current or former), including, but not limited to, healthcare staffing personnel of the Business in their capacity as such. None of the Seller Parties or any of their Affiliates is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any Governmental Authority related to the Business. There is no action, suit, proceeding or investigation brought by any Seller Party currently pending or which such Person intends to initiate related to the Business. To Seller's and each Principal's Knowledge, no event has occurred or circumstance exists that may reasonably serve as a basis for the commencement of any proceeding against Seller, the Purchased Assets or the Business.

To the Seller Parties' Knowledge, there are no pending or Threatened, governmental investigations against Seller or the Business.

5.11. ABSENCE OF CHANGES OR EVENTS. Since December 31, 2002, the Business has been conducted only in the Ordinary Course of Business. Without limiting the generality of the foregoing, since December 31, 2002, Seller has not: (a) suffered any material adverse change which has had, or would reasonably be expected to have, a Material Adverse Effect, and to the Knowledge of the Seller Parties, no other event has occurred or circumstances exist that would reasonably be expected to cause a Material Adverse Effect; (b) suffered any damage, destruction or casualty loss (whether or not covered by insurance) which has had, or would reasonably be expected to have, a Material Adverse Effect on the Business or the Purchased Assets; (c) converted any Current Assets of the Business into non-current assets other than in the Ordinary Course of Business consistent with past practice; (d) written down the value of any inventory of the Business or written off as uncollectible any notes or Accounts Receivable of the Business other than in the Ordinary Course of Business consistent with past practice; (e) canceled any debts of the Business or waived any material claims or rights relating to the Business other than in the Ordinary Course of Business; (f) sold, transferred, leased or otherwise disposed of any of its properties or assets relating to the Business, except in the Ordinary Course of Business and consistent with past practice; (g) except as set forth on SCHEDULE 5.11, disposed of, abandoned or permitted to lapse any rights to the use of any Seller IP; (h) agreed, whether in writing or otherwise, to take any action described in this Section 5.11; (i) made any material change in the accounting methods of Seller relating to the Business; (j) failed to pay or satisfy any of its debts, obligations or liabilities as the same become due and owing; or (k) agreed to do any of the foregoing. In addition, without limiting the generality of the foregoing, except as set forth on SCHEDULE 5.11 and other than in the Ordinary Course of Business, since December 31, 2002, Seller has not: (i) granted any increase in the rate or terms of compensation payable or to become payable to any officers, directors or employees of the Business or granted any extraordinary bonus or compensation to any employee of Seller during the year ended December 31, 2002 that was not paid in full during such year; (ii) granted any increase in the rate or terms of any bonus, insurance, pension or other employee benefit plan payment or arrangement relating to the Business; (iii) entered into any employment bonus or deferred compensation agreement with any employee of the Business; (iv) entered into any agreement (including but not limited to, any borrowing, capital expenditure or capital financing of more than \$50,000), material to the Business, except agreements in the Ordinary Course of Business; (v) made any change in accounting methods, principles or practices relating to Seller or the Business; (vi) paid, discharged or satisfied any claim, liability or obligation relating to the Business other than the payment, discharge or satisfaction of liabilities and obligations reflected or reserved against in the Financial Statements, or incurred in the Ordinary Course of Business and consistent with past practice; (vii) prepaid any obligation relating to the Business having a fixed maturity of more than ninety (90) days from the date such obligation was issued or incurred, or not paid, within a reasonable date of when due, consistent with past practice, an account payable relating to the Business, or sought the extension of the payment date of any account payable relating to the Business, other than an account payable that was

being contested in good faith; (viii) made any capital expenditures or commitments in excess of \$50,000 in the aggregate for repairs or additions to Tangible Assets or other property relating to the Business; (ix) permitted or allowed any of its property or assets relating to the Business to be subjected to any Lien, other than Permitted Liens; or (x) agreed, whether in writing or otherwise, to take any action described in this Section 5.11. Since December 31, 2002, there has not been any damage to or destruction or loss of any Purchased Asset or property of Seller or the Leased Premises, whether or not covered by insurance, materially and adversely affecting the Purchased Assets, the Business, financial condition or prospects of Seller, taken as a whole.

5.12. INSURANCE. SCHEDULE 5.12 is a true, correct and complete list of the insurance coverage (including insured, insurer, amount deductible, premium, expiration date) maintained by Seller or any of its Affiliates for the Business and the Purchased Assets, together with a list of all claims made under each such Insurance Policy. None of the Seller Parties nor any of their Affiliates have received any notice from, or on behalf of, any insurance carrier issuing to their Insurance Policies to the effect that: (a) insurance rates with respect to the Business or the Purchased Assets will be substantially increased; (b) there will be no renewal of existing policies; or (c) material modification of any aspect of the Business will be required. The insurance policies required to be disclosed on SCHEDULE 5.12 (i) are in full force and effect in accordance with their terms, (ii) no notice of cancellation, no restriction from relocating or suspension, modification or amendment to any Insurance Policy has been received, and, to the Seller Parties' Knowledge, there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default thereunder, (iii) such Insurance Policies provide coverage in amounts and upon terms that are reasonable and adequate for people having similar business, operations and property, (iv) all premiums to date have been paid in full to the extent due and payable, and (v) Seller and its Affiliates, as applicable, have not been refused any insurance, or had its coverage limited by any insurance carrier.

5.13. FINANCIAL STATEMENTS.

(a) Annexed hereto as SCHEDULE 5.13(A)(I) is a true and complete copy of the Financial Statements. The Financial Statements present fairly, in all material respects, the financial condition and results of operations, cash flows and shareholders' equity of the Seller as at the date of such statements, and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, and are based on the books, records and accounts of Seller. Except as set forth on SCHEDULE 5.13(A)(II), Seller has no liabilities or obligations of any kind (whether accrued, absolute, direct, indirect, contingent or otherwise) which would be required to be reflected on a balance sheet prepared in accordance with generally accepted accounting principles and which are not fully accrued or reserved against in the balance sheet of Seller contained in the Financial Statements (except for changes in the Ordinary Course of Business since December 31, 2002) that do not and would not reasonably be expected to have a Material Adverse Effect). Except as set forth on SCHEDULE 5.13(A)(II), none of the Seller Parties or any of their Affiliates has any outstanding loans relating to the Business of any kind and none of Seller Parties' obligations which relate to the Business have been guaranteed by any other Person.

(b) Except as set forth on the most recent balance sheet of Seller contained in the Financial Statements, and other than as disclosed on SCHEDULE 5.13(B), Seller does not have, and none of the Seller Parties or any of their Affiliates, on behalf of Seller, has any liabilities (including contingent liabilities) in excess of \$50,000, except Current Liabilities incurred in the Ordinary Course of Business. To the Seller Parties' Knowledge, there is no basis for the assertion against the Seller Parties' of any claim or liability relating to the Business that would reasonably be expected to cause a Material Adverse Effect. No financial statements of any Person other than Seller are required by generally accepted accounting principles to be included in the Financial Statements. Seller has not engaged in any transaction, maintained any bank account or used any of the funds of Seller in the conduct of its business, except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of Seller.

5.14. EMPLOYEE AND LABOR RELATIONS.

(a) SCHEDULE 5.14(A) includes a true and complete list of all full and part-time employees and independent contractors of the Business and their compensation, including the date and amount of the most recent increase in each employee's compensation. There are no collective bargaining agreements with any of the employees of the Business. There is no labor union organizing to the Seller Parties' Knowledge, pending or Threatened with respect to the Business, and no restriction from relocation or closing any of its obligations. To the Seller Parties' Knowledge, no employee of the Business, or any consultant with whom Seller has contracted in connection with the Business, is in violation of any term of any employment contract, proprietary information agreement or any other agreement relating to the right of any such individual to be employed by, or to contract with, Seller because of the nature of the business to be conducted by the Business; and to the Seller Parties' Knowledge, the continued employment by Seller of its present employees of the Business, and the performance of Seller's contracts with its independent contractors in connection with the Business, will not result in any such violation. None of the Seller Parties have received any notice alleging that any such violation has occurred. Seller is not bound to employ, or to continue the employment of, any employee of the Business for any period. Except as disclosed on SCHEDULE 5.14(A), Seller is not bound to pay any amounts to any employee of the Business following such employee's termination of employment. To the Seller Parties' Knowledge, no officer or Key Employee, or any group of Key Employees, intends to terminate their employment with Seller, nor does Seller have a present intention to terminate the employment of any officer, Key Employee or group of Key Employees, except as contemplated by this Agreement.

(b) Except as set forth in SCHEDULE 5.14(B), there have not been in the last twelve (12) months, nor are there currently, any actions, suits or proceedings pending or, to the Seller Parties' Knowledge, actions, suits, investigations or proceedings Threatened against Seller or any of its Affiliates by any employees, former employees, employees' collective bargaining representatives, job applicants or any association or group of such persons, relating to employment in or with Seller or the Business. Except as set forth in SCHEDULE 5.14(B), there are no written personnel policies, rules or procedures applicable to any employees of the Business. True and correct copies of all such policies, rules or procedures set forth in SCHEDULE 5.14(B) have been provided to Buyer. Seller and each of its Affiliates have complied in all material

respects with all Laws applicable to present or former employees (or any Person found to be a present or former employee), employees' collective bargaining representatives, job applicants or any association or group of such persons, of the Business, including but not limited to any provisions thereof relating to terms and conditions of employment, wages, hours, the payment of social security and similar taxes and occupational safety and health.

5.15. EMPLOYEE BENEFITS.

(a) SCHEDULE 5.15(A) sets forth a true and complete list of all Seller Plans.

(b) Neither Seller, any ERISA Affiliate nor any of their respective predecessors has ever contributed to, contributes to, has ever been required to contribute to, or otherwise participated in or participates in or in any way, directly or indirectly, has any liability with respect to any plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA, including, but not limited to any, "multiemployer plan" (within the meaning of Sections 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code), or any single employer pension plan (within the meaning of Section 4001(a)(15) of ERISA) which is subject to Sections 4063 and 4064 of ERISA.

(c) With respect to each of the Seller Plans and to the Seller Parties' Knowledge: (i) each Seller Plan intended to qualify under Section 401(a) of the Code is qualified and has received a determination letter from the IRS or is on a standardized prototype document that is the subject of a favorable opinion letter to the effect that the Seller Plan is qualified in form under Section 401 of the Code and any trust maintained pursuant thereto is exempt from federal income taxation under Section 501 of the Code and nothing has occurred or is expected to occur through the Closing Date that caused or could cause the loss of such qualification or exemption or the imposition of any penalty or tax liability; (ii) all payments required by any Seller Plan, any collective bargaining agreement or other agreement or by law (including, but not limited to, all contributions, insurance premiums or intercompany charges) with respect to all periods through the Closing Date shall have been made prior to the Closing Date (on a pro rata basis where such payments are otherwise discretionary at year end) or provided for by Seller as applicable, by full accruals as if all targets required by such Seller Plan had been or will be met at maximum levels) on its financial statements; (iii) no claim, lawsuit, arbitration or other action has been Threatened, asserted, instituted or is anticipated against the Seller Plans (other than non-material routine claims for benefits and appeals of such claims), any trustee or fiduciaries thereof in their capacities as trustees or fiduciaries of such Seller Plan or, with respect to the Seller Plans, against, Seller, any ERISA Affiliate, or any director, officer or employee thereof or any of the assets of any trust of the Seller Plans; (iv) the Seller Plan complies and has been maintained and operated in accordance with its terms and applicable law, including, but not limited to, ERISA and the Code; (v) no "prohibited transaction" within the meaning of Section 4975 of the Code and Section 406 of ERISA, has occurred or is expected to occur with respect to the Seller Plan (and the consummation of the transactions contemplated by this Agreement will not constitute or directly or indirectly result in such a "prohibited transaction"); (vi) no Seller Plan is under audit or investigation by the IRS, U.S. Department of Labor or any other governmental authority and no such completed audit, if any, has resulted in the imposition of any tax or penalty that has not been paid as of the Closing Date; and (vii) with respect to each Seller Plan that is funded mostly or partially

through an insurance policy, neither Seller nor any ERISA Affiliate has any liability in the nature of retroactive rate adjustment, loss sharing arrangement or other actual or contingent liability arising wholly or partially out of events occurring on or before the Closing Date.

(d) Except for liability under Part 6 of Title I of ERISA and Section 203 of ERISA and as set forth on SCHEDULE 5.15(D), to the Seller Parties' Knowledge, the consummation of the Contemplated Transaction will not give rise to any liability arising under any of the Seller Plans, including, but not limited to, liability for severance pay, unemployment compensation, termination pay or withdrawal liability or accelerate the time of payment or vesting or increase the amount of compensation or benefits due to any employee or shareholder of Seller (whether current, former or retired) or their beneficiaries solely by reason of such transactions or by reason of a termination following such transactions. Neither Seller nor any ERISA Affiliate maintains, contributes to or in any way provides for any benefits of any kind whatsoever (other than under Section 4980B of the Code, the Federal Social Security Act or a plan qualified under Section 401(a) of the Code) to any current or future retiree or terminatee. None of Seller, any ERISA Affiliate or any officer, member or employee thereof, has made any promises or commitments to create any additional plan, agreement or arrangement or to modify or change any existing Seller Plan, except as set forth in Sections 12.03 and 12.04 herein or in SCHEDULE 2.01(A)(II) attached hereto. Except as set forth in Section 204(g) of ERISA and Section 411(d)(6) of the Code, no event, condition or circumstance exists that would prevent the amendment or termination of any Seller Plan.

(e) Seller has delivered to Buyer true, correct and complete copies of:

(i) all documents (and amendments or modifications thereto) that set forth the terms of each Seller Plan, including (A) all plan descriptions and summary plan descriptions of Seller Plans for which Seller is required to prepare, file and distribute plan descriptions and summary plan descriptions, and (B) all summaries and descriptions furnished to participants and beneficiaries regarding Seller Plans, for which a plan description or summary plan description is not required;

(ii) all current personnel, payroll and employment manuals and policies;

(iii) all collective bargaining agreements pursuant to which contributions have been made or obligations incurred (including both pension and welfare benefits) by Seller and the ERISA Affiliates of Seller, if any, and all collective bargaining agreements pursuant to which contributions are being made or obligations are owed by such entities;

(iv) a written description of any Seller Plan that is not otherwise in writing;

(v) all registration statements filed with respect to any Seller Plan;

(vi) all current Insurance Policies purchased by or to provide benefits under any Seller Plan;

(vii) all current contracts with third party administrators, actuaries, investment managers, consultants and other independent contractors that relate to any Seller Plan;

(viii) the Form 5500 filed in each of the most recent three plan years with respect to the Seller Plan, including all schedules thereto and the opinions of independent accountants, if applicable;

(ix) all notices that were given by Seller or any Seller Plan to the IRS or any participant or beneficiary, pursuant to statute, within the three years preceding the date of this Agreement; and

(x) all notices that were given by the IRS, the PBGC, or the Department of Labor to Seller or any Seller Plan within the four years preceding the date of this Agreement.

5.16. COMPLIANCE WITH LAWS; PERMITS.

(a) The use, operation, ownership and possession of the Purchased Assets by Seller and its Affiliates and the operation of the Business are in compliance with all applicable Laws, including, but not limited to, all Occupational Safety and Health Administration Laws. Neither Seller, nor either of the Principals has received any notification, demand, subpoena or inquiry (whether oral or written) relating to any present or past failure by the Business to comply with any Laws or any order, writ, injunction, judgment or decree of any Governmental Authority nor, to the Seller Parties' Knowledge, has the Business been the subject of any inquiry or investigation by any Governmental Authority regarding any such present or past failure. Except as set forth on SCHEDULE 5.16(A), Seller is not a party to any contract that would require Seller to comply with federal affirmative action Laws.

(b) Seller has all Permits necessary for the conduct of the Business where the failure to do so would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and each of such Permits is listed on SCHEDULE 5.16(B) and each is in full force and effect; there are no proceedings pending or, to the Seller Parties' Knowledge, Threatened that may result in the revocation, cancellation, suspension or modification of any Permit. The Permits listed on SCHEDULE 5.16(B) constitute all of the Permits necessary for Seller to lawfully conduct and operate the Business in the manner it currently conducts and operates the Business and to permit Seller to own and use the Purchased Assets in the manner in which it currently owns and uses such assets.

(c) (i) Except as set forth on SCHEDULE 5.16(C)(I), to the Seller Parties' Knowledge, no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) would be reasonably likely to result in a material violation by Seller of, or a failure on the part of Seller to comply with, any Law, or (B) would be reasonably likely to give rise to any obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(ii) Except as set forth on SCHEDULE 5.16(C)(II), none of the Seller Parties have received any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding (A) any

actual, alleged, possible or potential violation of, or failure to comply with, any Law, or (B) any actual, alleged, possible or potential obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

5.17. INTELLECTUAL PROPERTY.

(a) The Seller IP comprises all intellectual property and intellectual property rights necessary for or used in the Business as currently conducted. Except for Licensed IP and OTS Software, Seller is the sole and exclusive owner of all of Seller IP, free and clear of all Liens other than Permitted Liens which shall be discharged prior to the Closing Date. Except for Licensed IP and OTS Software, all Seller IP has been (i) developed, created or invented by Seller's employees in the normal course of their employment or (ii) acquired by Seller from third parties pursuant to valid and enforceable acquisition agreements, assignments and/or work-for-hire agreements. SCHEDULE 5.17(A) attached hereto is a true and correct list of all Seller IP. SCHEDULE 5.17(A) attached hereto is a true and correct list of all Seller IP in respect of which Seller has registered or applied for registration, including, but not limited to, all trademark, copyright and patent registrations and registration applications. All registrations disclosed on SCHEDULE 5.17(A) are valid, subsisting and in full force and effect.

(b) SCHEDULE 5.17(B) is a true and correct list of all Seller IP that the Business uses and/or has a right to use under license or other authorization from a third party ("Licensed IP"). SCHEDULE 5.17(B) also sets forth the name and address of the grantor with respect to each item of Licensed IP ("License Agreements"). Except as disclosed on SCHEDULE 5.17(B), none of the Licensed IP has been incorporated into or made a part of any Seller IP or any other Licensed IP. Seller has not received notice of cancellation, termination or refusal to renew. Except as set forth on SCHEDULE 5.17(B), Seller is not in breach of any Licensed IP.

(c) SCHEDULE 5.17(C) is a true and correct list of all off-the-shelf software that is used by the Business ("OTS Software"). Except as disclosed on SCHEDULE 5.17(C), Seller obtained all OTS Software pursuant to a shrink-wrap, cling-wrap or similar agreement between licensor and Seller (each, an "OTS Software License").

(d) SCHEDULE 5.17(D) attached hereto sets forth a true and correct list of all agreements pursuant to which Seller grants to any one or more third parties the license, sublicense, right, authorization or other consent to access and/or use, for whatever purpose, any part or all of Seller IP, Licensed IP or OTS Software (the "Seller Grants"). SCHEDULE 5.17(D) also sets forth the name and address of the grantee and a summary of the material terms and conditions of each Seller Grant. Seller has not received notice of cancellation, termination or refusal to renew. Seller is not in breach of any Seller Grants.

(e) SCHEDULE 5.17(E) attached hereto lists all of Seller's registered and unregistered tradenames, service names and/or assumed names (collectively, "Tradenames") that are currently used, intended to be used or have been used in connection with the Business.

(f) Except as set forth on SCHEDULE 5.17(F), Seller has taken all measures reasonably necessary to maintain and protect its right, title and/or interest in and to each item of Seller IP, including in response to any action taken by Governmental Authorities. Expressly, but without limiting the generality of the foregoing, Seller has taken all measures reasonably necessary to protect the confidentiality of that part of Seller IP that is comprised of the trade secrets of Seller or of Seller's licensors. Seller has not disclosed Seller IP to any person, or is contractually obligated to disclose such Seller IP except as set forth on SCHEDULE 5.17(F).

(g) In connection with the Business, Seller has not infringed on, violated and/or misappropriated and, to Seller Parties' Knowledge, is not infringing on, violating and/or misappropriating, the rights of any third party, including, but not limited to, any copyright, patent rights, trademark rights, trade secret rights, other intellectual property rights, or rights of privacy or publicity, except as set forth on SCHEDULE 5.17(G) (collectively, "Seller Infringement"). Seller has no reason to believe that continued operation of the Business will interfere with, infringe upon or misappropriate intellectual property of any other person, except as set forth on SCHEDULE 5.17(G). No claim of Seller Infringement has been asserted or, to Seller Parties' Knowledge, Threatened by any Person in connection with the Business. Except as set forth on SCHEDULE 5.17(G), Seller has not agreed to indemnify any Person for or against any interference, infringement, misappropriation or other conflict with respect to any one or more items of Seller IP.

(h) Except as set forth on SCHEDULE 5.17(H), no claims have been asserted or, to the Seller Parties' Knowledge, Threatened by any Person, nor, to the Seller Parties' Knowledge, is there any basis for any bona fide claims challenging the ownership, legality, use, validity and/or enforceability of the Seller IP, and/or Seller's rights under the License Agreements and the OTS Software Licenses.

(i) To Seller Parties' Knowledge, no Person (including, but not limited to, any employee or former employee of the Business) has infringed upon, violated, misappropriated or otherwise used without the consent of Seller any part or all of Seller IP.

(j) Except as set forth on SCHEDULE 5.17(J), all patents and trademarks have been registered with the United States Patent and Trademark Office, if any, are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety (90) days after the Closing Date.

5.18. ACCOUNTS RECEIVABLE. Except as set forth on SCHEDULE 5.18, all of the Accounts Receivable reflected on the Financial Statements (i) represent sales actually made in the Ordinary Course of Business for goods or services delivered or rendered in bona fide arm's length transactions, (ii) are or will be as of the Closing Date current and collectible and are payable on ordinary trade terms, (iii) are current (i.e., outstanding fewer than ninety (90) days past the day of invoice), (iv) are legal, valid and binding obligations of the respective debtors enforceable in accordance with their terms, (v) are not subject to any valid set-off or counterclaim, (vi) are collectible in the

Ordinary Course of Business in the aggregate recorded amounts thereof, net of any applicable reserve reflected in the most recent balance sheet included in the Interim Financial Statements and (vii) are not the subject of any actions, suits or proceedings brought by or on behalf of the Seller Parties or their Affiliates.

5.19. TAXES.

(a) Seller has timely filed (or had filed on its behalf) with appropriate tax authorities all Tax Returns required to be filed by it; Seller has delivered to Buyer copies of all Tax Returns filed by it since the year ending 1999; to the Seller Parties' Knowledge, all such Tax Returns are true, correct and complete in all material respects; and Seller has timely paid or accrued (or had paid or accrued on its behalf) all Taxes due for all periods ending on or prior to the Closing Date; (b) all amounts required to be withheld or collected by Seller from customers or from or on behalf of employees or independent contractors with respect to the Business for income, social security and unemployment insurance Taxes have been collected or withheld and either paid to the appropriate governmental agency or set aside and, to the extent required by law, held in accounts for such purpose; (c) there are no pending actions or proceedings by any applicable taxing authority for the assessment, collection, adjustment or deficiency of Taxes against Seller relating to the Business and, to the Seller Parties' Knowledge, there are no pending Tax audits of Seller; (d) there are no outstanding agreements or waivers extending the statutory period of limitation applicable to any assessment of Tax or audit of any Tax Return of Seller for any period; and (e) Seller throughout its existence has been classified as a corporation for federal tax purposes. An extension of time to file any Tax Return that has not been filed has not been required or granted. Seller has paid all Taxes that have or may have become due pursuant to those Tax Returns or otherwise, or pursuant to any assessment received by Sellers through the date of this Agreement. To the Seller Parties' Knowledge, there is no dispute as to Taxes payable by Seller that could have or result in any adverse effect on the Purchased Assets, the Business or, after the Closing Date, the Buyer. There is no tax sharing agreement that will require any payment by Seller after the date of this Agreement. There are no liens for Taxes (other than for current Taxes not yet due and payable) on the Purchased Assets.

5.20. FINDERS. Neither the Seller Parties nor anyone acting on their behalf, has taken any action that, directly or indirectly, would obligate Seller to anyone other than Goldman Sachs & Co. acting as broker, finder, financial advisor or in any similar capacity in connection with this Agreement or any of the Contemplated Transactions hereby.

5.21. ENVIRONMENTAL MATTERS.

(a) All of the current and past operations of the Purchased Assets and the Business, including any operations at or from any real property presently or formerly owned, used, leased, occupied, managed or operated by Seller in connection with the Business (the "Real Property"), comply and have at all times complied, in all material respects, with all applicable Environmental Laws. Neither Seller, nor to any Seller Parties' Knowledge, any other Person, has engaged in, authorized, allowed or suffered any operations or activities upon any of the Real Property, for the purpose of or in any way involving the handling, manufacture, treatment, processing, storage, use, generation, release, discharge, spilling, emission, dumping or disposal of any Hazardous Substances

at, on, under or from the Real Property, except in full compliance with all applicable Environmental Laws.

(b) To the Seller Parties' Knowledge, neither the Purchased Assets nor the Real Property contain any Hazardous Substances in, on, over, under or at it, in concentrations which violate any applicable Environmental Laws or would be reasonably likely to result in the imposition of a material Environmental Liability on the owner, lessee, manager or operator of the Real Property under any applicable Environmental Laws, including any liability or obligations for the investigation, corrective action, remediation or monitoring of Hazardous Substances in, on, over, under.

(c) To the Seller Parties' Knowledge, none of the Real Property is listed or proposed for listing on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., or any similar inventory of sites requiring investigation, monitoring or remediation maintained by any state or locality. Seller has not received any notice from any Governmental Authority or other Person of any actual or Threatened Environmental Liabilities with respect to the Real Property, the Business or the Purchased Assets.

(d) Seller has all the permits, licenses, authorizations and approvals materially necessary in connection with the Business and for the operations on, in or at the Purchased Assets and the Real Property (the "Environmental Permits"), that are required under applicable Environmental Laws. Seller is materially in full compliance with the terms and conditions of all such Environmental Permits.

(e) Seller has not contractually nor, to Seller Parties' Knowledge, by operation of law (including the Environmental Laws) or otherwise, assumed or succeeded to any Environmental Liabilities of any predecessors or any other person or entity except for Environmental Liabilities not related to the Real Property, the Business or the Purchased Assets.

5.22. QUESTIONABLE PAYMENTS. In connection with the Business, neither the Seller Parties nor any officer or director of Seller, nor to the Seller Parties' Knowledge, any agent, employee, or any other Person acting on behalf of the Seller Parties has, directly or indirectly, used any company funds for unlawful contributions, gifts, entertainment or other unlawful expenses; made any unlawful payment to government officials or employees or to political parties or campaigns; established or maintained any unlawful fund of corporate monies or other assets; made or received any bribe or any unlawful rebate, payoff, influence payment, kickback or other payment; given any favor or gift which is not deductible for federal income tax purposes; or made any bribe, kickback or other payment of a similar or comparable nature, to any governmental or non-governmental Person, regardless of form, whether in money, property, or services, to obtain favorable treatment in securing business or to obtain special concessions or to pay for favorable treatment for business or for special concessions secured.

5.23. BOOKS AND RECORDS. The books of account, minute books, stock record books, sales records, payment records, invoices, shipment records, production records, customer complaint and recall records, purchasing records and any and all formulations (including, but not limited to, governmental

formulations) of Seller, all of which have been made available to Buyer, are true, complete and correct in all material respects and have been maintained in accordance with sound business practices and on a consistent basis.

5.24. NO SUBSIDIARIES. Seller does not own, either of record, beneficially or equitably, any capital stock or other securities or any other direct or indirect interest in any firm, corporation or other entity (including any joint venture or partnership) other than short-term investments.

5.25. CLIENTS AND SUPPLIERS. SCHEDULE 5.25 contains a list setting forth the twenty (20) largest per diem nurse clients of Seller and the twenty (20) largest travel nurse clients of Seller, by dollar amount of revenues over each of the 12-month periods ended December 31, 2000, 2001 and 2002. All commitments by Seller to provide services to each of its clients or to receive services from its suppliers have been made in the Ordinary Course of Business, and Seller has made no payments to any client, supplier or their representatives other than pursuant to invoices prepared or received by Seller in the Ordinary Course of Business.

5.26. FULL DISCLOSURE. This Agreement, the Schedules and Exhibits hereto and the Transaction Documents do not contain any untrue statement of a material fact nor, to the Seller Parties' Knowledge, omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. To the Seller Parties' Knowledge, there are no facts which (individually or in the aggregate) would reasonably be expected to have a Material Adverse Effect that have not been set forth in the Agreement, the Schedules or the Exhibits hereto, or in the Transaction Documents.

ARTICLE VI.

BUYER'S AND PARENT'S REPRESENTATIONS AND WARRANTIES

With the understanding that Seller and the Principals intend to rely hereon, Buyer and Parent, jointly and severally, represent and warrant to Seller and each of the Principals (which warranties and representations shall survive the Closing to the extent set forth in Section 14.01 herein regardless of what examinations, inspections, audits and other investigations Seller and the Principals have made or may hereafter make, with respect to such warranties and representations), as of the date hereof and as of the Closing Date as follows: Seller and Parent, jointly and severally, represent and warrant to Buyer and the Principals as follows:

6.01. CORPORATE STATUS AND AUTHORITY. Each of the Buyer Parties is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full corporate power and authority to own its properties and to carry on its business as presently conducted. Each of the Buyer Parties has full corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Transaction Documents to which it is or will be a party.

6.02. AUTHORIZATION. The execution and delivery by each of the Buyer Parties of this Agreement and, as applicable, the Transaction Documents to which it is or will be a party, and its performance of its obligations hereunder and thereunder, have been duly authorized by all required corporate action and no

other corporate proceedings are necessary to approve and authorize the execution and delivery of this Agreement, the Transaction Documents or the consummation of the transactions contemplated hereby and thereby.

6.03. EXECUTION AND DELIVERY. Each of the Buyer Parties has duly and validly executed and delivered this Agreement and, as applicable, the Transaction Documents to which it is a party and which are being executed and delivered simultaneously with this Agreement; and, this Agreement and such Transaction Documents, as applicable, are valid and binding obligations of each of the Buyer Parties, enforceable against them in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity (whether or not considered in a proceeding at law or in equity). The remaining Transaction Documents to which each of the Buyer Parties will be a party, when executed and delivered at the Closing, will be duly and validly executed and delivered by each of the Buyer Parties, and upon such execution and delivery, will be legal, valid and binding obligations of each of the Buyer Parties, enforceable against them in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity (whether or not considered on a proceeding at law or in equity).

6.04. NO CONFLICT. The execution and delivery by each of the Buyer Parties of the Transaction Documents to which it is or will be a party, and such party's performance of its obligations hereunder and thereunder, does not and will not, directly or indirectly (with or without notice or lapse of time): (i) conflict with or violate any provision of the Articles of Incorporation, Bylaws, shareholders' agreement or other organizational documents of the Buyer Parties; (ii) except for the consent from our Lender, conflict with or violate, result in a breach of or constitute a default (or an event which, with or without notice, lapse of time or both, would constitute a default) under or result in the invalidity of, or accelerate the performance required by or cause or give rise to any right of acceleration, termination or modification of any right or obligation pursuant to any agreement or contract to which any of the Buyer Parties is a party or by which any of them (or any of their respective assets) is subject or bound, which event, individually or in the aggregate, would reasonably be expected to have a material adverse effect; (iii) conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge the Contemplated Transactions or to exercise any remedy or obtain any relief under, any legal requirement or any order to which the Buyer Parties or are subject or (iv) except for the approval of its Lenders and pursuant to the HSR Act, require any authorization, consent, approval or waiver from any Person.

6.05. LITIGATION AND PROCEEDINGS. There are no claims, actions, suits, proceedings or investigations, judicial or administrative, pending or, to the Knowledge of either Buyer Party, Threatened against or involving Buyer or Parent that seek to restrain, prohibit or invalidate the transactions contemplated by this Agreement or that might materially adversely affect the ability of the parties to consummate the transactions contemplated hereby.

6.06. FINDERS. Neither the Buyer Parties nor anyone acting on their behalf, has taken any action that, directly or indirectly, would obligate Buyer to anyone acting as broker, finder, financial advisor or in any similar capacity in connection with this Agreement or any of the transactions contemplated hereby.

ARTICLE VII.
NONCOMPETITION; NONSOLICITATION COVENANTS

7.01. NONCOMPETITION.

(a) Seller and each of the Principals hereby acknowledge that: (i) the agreements and covenants they are providing in this Section 7.01 are reasonable and necessary to the protection of the Buyer Group's legitimate interests in the undertakings contemplated by this Agreement; (ii) Seller and each of the Principals have certain Knowledge of the business operations that may be required to ensure the effective and successful conduct of the Business, (iii) Buyer will be irreparably damaged and its substantial investment in the undertakings contemplated by this Agreement materially impaired if Seller and/or the Principals were to enter into an activity competing or interfering with the businesses of the Buyer Group in violation of the terms of this Section 7.01 or if they were to disclose or make unauthorized use of any confidential information concerning the Business or the Purchased Assets; (iv) the scope and length of the term of this Section 7.01 and the geographical restrictions contained herein are fair and reasonable and not the result of overreaching, duress or coercion of any kind and the full, uninhibited and faithful observance of each of the agreements and covenants contained in this Section 7.01 will not cause Seller or either Principal any undue hardship, financial or otherwise, and enforcement of each of the covenants contained in this Section 7.01 will not impair either Principal's ability, if he so desires, to engage in other business ventures acceptable to him or otherwise obtain income required for his profitable operation and the satisfaction of the needs of his creditors.

(b) Seller and each of the Principals covenant and agree that they will not, and will cause their Affiliates not to, directly or indirectly, at any time from the date of this Agreement and continuing for a period of five (5) years after the Closing Date, compete with Buyer or any of its Affiliates in the United States of America, directly or indirectly, whether for its own account or otherwise. As used in this Article VII, to "compete" shall mean to, directly or indirectly, own, manage, operate, join, control, be employed by, or become a director, officer, employee, agent, broker, consultant, representative or shareholder of a corporation or an owner of an interest in or an employee, agent, broker, consultant, representative or partner of a partnership or in any other capacity whatsoever of any other form of business association, sole proprietorship or partnership, or otherwise be connected in any manner with the ownership, management or operation of any Person that engages in a business similar to the Business; provided, however, that nothing herein shall prevent Seller, the Principals or their Affiliates from (i) engaging in the temporary placement business of information technology personnel (including, but not limited to, such personnel as computer programmers or other similarly skilled individuals engaged in similar lines of work) or (ii) acquiring up to five percent (5%) of the securities of any company listed on a national securities exchange or quoted on the Nasdaq Stock Market.

7.02. NONSOLICITATION. For a period commencing on the Closing Date and ending on the fifth anniversary of the Closing Date, neither Seller, the Principals nor any of their Affiliates shall, unless acting with the express written consent of Buyer, directly or indirectly, in any capacity, (i) solicit, induce or employ any Person who is or was, at the time of such solicitation, inducement or employment by Seller or its Affiliates, an employee, subcontractor or consultant of the Business, or a Buyer Entity to leave such position or to accept a position with Seller, the Principals or any of its Affiliates, or (ii) tortiously interfere with any Buyer Entity's relationship with, or solicit any business that is a competing business from, any of its subcontractors, customers or employees.

7.03. GENERAL. With respect to the covenants contained in this Article VII, Seller and each of the Principals agree that any remedy at law for any breach of said covenants may be inadequate and that Buyer and/or Parent shall be entitled to specific performance or any other mode of injunctive or other equitable relief to enforce their rights hereunder or any other relief a court might award. The existence of any claim or cause of action, which Seller or either Principal or any other Person may have against any Buyer Entity, shall not constitute a defense or bar to the enforcement of any of the covenants contained in this Article VII. In the event this Article VII shall be more restrictive than permitted by applicable law, the restrictions in this Article VII shall be limited to the minimum extent required to make them enforceable. It is specifically agreed that the periods stated in this Article VII shall be computed by excluding from such computation any time during which the Principals and/or their Affiliates are determined by final and unappealable judicial decision to be in violation of any provision of this paragraph.

ARTICLE VIII.
COVENANTS

8.01. ACCESS AND INQUIRY; HSR FILING.

(a) Seller has furnished to Buyer true, correct and complete copies of all records, documentation and other information in its possession (or in the possession of Seller's attorneys or other representatives) as Buyer has reasonably requested concerning the ownership, use, operation and condition of the Business and the Assets. Seller has given Buyer reasonable access to its facilities, books, properties and records relating to the Business during normal business hours upon reasonable notice and without undue interruption and Buyer will be permitted to contact and make reasonable inquiry of employees and customers and suppliers of the Business regarding the Purchased Assets and Assumed Liabilities.

(b) Buyer and Seller have prepared and filed all notifications and documents required to be filed for the Contemplated Transactions to comply with the HSR Act, if necessary. Buyer and Seller shall each be responsible for all of their own costs, filing fees and expenses (including, but not limited to, reasonable attorneys' fees) associated with the preparation and filing of all documents required under the HSR Act, except that Buyer shall pay the filing fee for the requisite filing under the HSR Act.

8.02. BULK TRANSFER. The parties agree to waive compliance with any bulk transfer law applicable to any of the transactions contemplated hereby. Seller and the Principals hereby agree, jointly and severally, to indemnify and

hold harmless Buyer against liability, cost and expense (including, but not limited to, reasonable attorneys' fees) arising out of noncompliance with applicable bulk transfer laws.

8.03. CONFIDENTIAL INFORMATION.

(a) The Seller Parties acknowledge that in the course of negotiations and discussions in connection with this Agreement and transactions contemplated hereby, the Seller Parties will have and have had access to confidential or proprietary data or information relating to the Business or to the businesses of the Buyer or Parent. For a period commencing on the date of this Agreement and ending on the fifth anniversary of the Closing Date, the Seller Parties shall not, in any capacity, divulge, communicate, disclose or make available to any Person, nor shall any Seller Party direct, or permit, any of its employees, officers, representatives or Affiliates to divulge, communicate, disclose or make available to any Person (other than to a Person bound by confidentiality obligations similar to those contained herein and other than as necessary in performing such Seller Party's duties hereunder) or use to the detriment of Buyer and/or Parent or for the benefit of any other Person, any of such data or information. The provisions of this Section 8.03 shall survive the termination of this Agreement hereunder, whether by the normal expiration thereof or otherwise. As used in this Section 8.03, the term "confidential or proprietary data or information" shall mean information relating to Buyer and/or Parent not generally available to the public or generally known. Notwithstanding anything to the contrary contained in this Section 8.03, the term "confidential or proprietary data or information" shall not include any information which (i) has been rightly received from a third party without restriction or breach of this Agreement, (ii) is required to be disclosed by Law or court order, provided, however, that the Seller Parties shall provide the Buyer Group with written notice at least thirty (30) days prior to the disclosure of such information, (iii) is already known by the Seller Parties without any confidentiality undertaking, or (iv) is or becomes publicly known through no fault of the Seller Parties.

(b) In the event the Contemplated Transactions in this Agreement are not consummated such that the Closing does not occur, the provisions of Section 8.03(a) shall apply with equal force and effect to the Buyer Group to protect the confidential or proprietary data or information of the Seller Parties.

(c) The terms and conditions set forth in this Section 8.03 shall supersede the terms and conditions set forth in the Confidentiality Agreement entered into between Seller and Parent (the "Confidentiality Agreement"), and the Confidentiality Agreement shall cease to be of force and effect as of the date of this Agreement.

8.04. USE OF NAME. On the Closing Date, Seller shall change its name to a name not confusingly similar to Med-Staff, Inc. and shall cease doing business under any assumed name or tradenames listed on SCHEDULE 5.17(E). On the Closing Date, Seller shall deliver to Buyer any and all required instruments deemed necessary by any and all applicable Governmental Authorities to terminate any previously filed assumed name or tradenames listed on SCHEDULE 5.17(E). Promptly after any such filing, Buyer shall deliver proof of said filings to Seller.

8.05. NO SOLICITATION, ETC. Seller and any Affiliate, officer, employee or representative thereof and each of the Principals (collectively, the "Covered Parties") shall immediately cease and terminate any existing solicitation, initiation, encouragement, activity, discussion or negotiation with any parties conducted heretofore by the Covered Parties with respect to an Acquisition Proposal (as defined herein) regarding the Purchased Assets and/or the Business. From the date hereof, the Covered Parties shall not, directly or indirectly, encourage, solicit or initiate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to an Acquisition Proposal from any Person, or engage in any discussion or negotiations relating thereto or accept any Acquisition Proposal.

8.06. FULFILLMENT OF CONDITIONS. Each of the Seller Parties and the Buyer Parties shall use its commercially reasonable efforts to cause the conditions to Closing in Articles X and XI, respectively, to be fulfilled in a timely manner after the date hereof.

8.07. CONSENTS. The Seller Parties shall use their reasonable efforts to obtain and deliver to Buyer (a) the consents, approvals, waivers or acknowledgments listed on SCHEDULE 8.07, and (b) any and all Permits, consents, or declarations to or filings with, any Governmental Authority required in connection with the Contemplated Transactions and the Transaction Documents, duly executed by all parties other than Buyer prior to Closing, without the imposition on Buyer of any material condition, restriction or required undertaking.

8.08. AFFILIATE TRANSACTIONS. Immediately prior to the Closing, all liabilities relating to the Business or, the Purchased Assets and payable to any Affiliate of Seller and/or the Principals shall be satisfied and discharged in full and all liabilities of any employee, officer, director or Affiliate of Seller and/or the Principals due and owing to Seller shall be satisfied and discharged in full.

8.09. PUBLICITY. Each of the Seller Parties, on the one hand, and each of the Buyer Parties, on the other hand, covenants and agrees, jointly and severally, that all written publicity and notices to third parties (other than such party's lenders) concerning the sale of the Business and the other transactions contemplated by this Agreement shall be subject to the prior written approval of (x) Buyer, in the case of written publicity or notices to third parties by any Seller Party and (y) Seller, in the case of written publicity or notices to third parties by any Buyer Party; provided, however, this Section 8.09 shall not apply to disclosure and reporting requirements of the Buyer Parties under applicable securities laws or regulations of the Nasdaq Stock Market, which the Buyer Parties agree to provide to the Seller Parties as soon as reasonably practicable.

8.10. UPDATE NOTICES. The Seller Parties, on the one hand, and the Buyer Parties, on the other hand, shall deliver to the other, as soon as practicable after obtaining knowledge that any representation or warranty made by it is not true and correct, a notification of such fact.

8.11. TAX COVENANTS. No new elections with respect to Taxes or any changes in current elections with respect to Taxes affecting the Purchased Assets and/or the Business shall be made before the Closing Date without the prior written consent of Buyer. At or prior to Closing, Seller shall furnish Buyer an affidavit, stating under penalty of perjury, the transferor's United

States taxpayer identification number and that the transferor is not a foreign person, pursuant to ss. 1445(b)(2) of the Code.

8.12. MED-STAFF NAME. On or prior to the Closing Date, Seller shall have resolved any and all pending claims against Med-Staff regarding the use and/or ownership of the name "Med-Staff" or "Med-Staff, Inc." in any form (domain name or otherwise).

8.13. ACCRUAL FOR PROFESSIONAL LIABILITY INSURANCE. Professional liability insurance expense shall be accrued by Seller on its Financial Statements at the rate of \$0.35 for each hour worked by healthcare professionals, commencing on January 1, 2003 to March 31, 2003. Commencing on April 1, 2003 and continuing until the Closing Date, professional liability insurance expense of the acquired business shall be accrued at the rate of \$0.50 for each hour worked by healthcare professionals.

8.14 FINANCING. The Buyer Parties shall use their commercially reasonable efforts to complete the \$200,000,000 financing contemplated by the Commitment Letter provided to Seller on the date hereof.

ARTICLE IX
CONDUCT OF THE BUSINESS

9.01. From the date hereof and until the Closing Date, except as contemplated by this Agreement or expressly consented to in writing signed by Buyer, Seller and the Principals shall, and shall cause their Affiliates to: (i) conduct the Business only in the Ordinary Course of Business, (ii) maintain and preserve the Business's properties in good repair, working order and condition, including but not limited to, performing maintenance in a manner and on a basis consistent with past practice, (iii) use commercially reasonable efforts to preserve the Business's operations and organizations intact, (iv) use commercially reasonable efforts to keep available the services of the Business's current officers, (v) use commercially reasonable efforts to preserve the Business's current business relationships, including, but not limited to, the goodwill of its customers and suppliers and others having business relationships with it, (vi) except as set forth on Schedule 9 attached hereto, not change the rate or terms of compensation payable, or to become payable, to any of the Business's officers or employees, except in the Ordinary Course of its Business, (vii) not grant any change in the rate or terms of any Seller Plan, (viii) not enter into any agreement or make any other commitment in connection with the Business or the Purchased Assets involving an amount in excess of \$50,000, (ix) not sell, lease (as lesser), transfer, license (as licensor), encumber, grant or create a Lien on, any of the Purchased Assets, other than in a manner and on a basis consistent with past practice, (x) not terminate or amend any Assumed Contract, (xi) refrain from doing, or causing to be done, anything which would cause the representations and warranties set forth in Article V of this Agreement from not being true, complete and correct on the Closing Date as if made on such date, (xii) continue to insure itself and the Purchased Assets and all property owned by Seller in accordance with the manner disclosed in this Agreement, and to use, operate, maintain and repair the Purchased Assets consistent with past practices, (xiii) not enter into any agreement to sell Purchased Assets or supply services to others without Buyer's prior written consent, except in the Ordinary Course of Business, (xiv) refrain from doing any act or omitting to do any act, or permitting any act or omission to act, which will cause a breach of any contract, commitment or obligation of Seller related

to the Business, the Purchased Assets or the Assumed Liabilities, (xv) promptly notify Buyer in writing of any written or Threatened investigation or proceeding by or relating to Seller, the Purchased Assets, the Business or this Agreement before any court or governmental department, commission, board, bureau, agency or instrumentality, (xvi) refrain from doing any act or omitting to do any act, or permitting any act or omission to act, which will cause any of the Purchased Assets to be depleted or any of the Accounts Receivables or trade payables to be collected on an accelerated basis, other than in the Ordinary Course of Business, (xvii) use its best efforts to cause all of the conditions to the obligations of Seller under this Agreement to be satisfied on or prior to the Closing Date and (xviii) not terminate any of its employees without the prior written consent of Buyer, other than in the Ordinary Course of Business; (xix) not dispose of or modify or alter the Purchased Assets, other than in the Ordinary Course of Business, or incur, create or assume any Lien (other than Permitted Liens, which must be discharged on or prior to the Closing Date) on any Purchased Asset; or (xx) take any action which could reasonably be expected to prevent or materially delay the consummation of the Contemplated Transactions.

ARTICLE X.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of the Buyer Parties under this Agreement are subject, at the Buyer Parties' sole and absolute discretion, to the fulfillment prior to or at the Closing, of each of the following conditions.

10.01. REPRESENTATIONS AND WARRANTIES ACCURATE. The representations and warranties of the Seller Parties contained in this Agreement shall be true and correct (a) in all respects with regard to representations and warranties limited by materiality qualifications or references to Material Adverse Effect and (b) in all material respects with regard to all other representations and warranties, as of the date of this Agreement and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

10.02. PERFORMANCE OF COVENANTS AND AGREEMENTS. Each Seller Party shall have performed in all material respects the covenants and agreements required to be performed by it/him at or prior to the Closing pursuant to this Agreement.

10.03. CONSENTS. Seller shall have delivered to Buyer at or prior to the Closing all consents from governmental and regulatory agencies, landlords, mortgagees, secured parties or other third parties that, individually or in the aggregate, could have a Material Adverse Effect on the Business or the Purchased Assets subsequent to Closing if not obtained and all such consents shall be in full force and effect on the Closing Date, without the imposition upon Buyer or the Business of any new conditions, restrictions or required undertakings.

10.04. NO MATERIAL ADVERSE CHANGE. There shall not have occurred any material adverse change in the business, assets, operations, properties, condition (financial or otherwise), contingent liabilities, prospects or material agreements of Seller since December 31, 2002.

10.05. EMPLOYMENT AGREEMENTS.

(a) Each of Davis and Rodden shall have executed an employment agreement with Buyer in the form attached hereto as EXHIBIT 10.05(A)(I) and EXHIBIT 10.05(A)(II), respectively.

(b) Each of the Key Employees of Seller identified on SCHEDULE 10.05(B) shall have executed an employment agreement with Buyer in the form attached hereto as EXHIBIT 10.05(B).

(c) Each of the persons listed on SCHEDULE 10.05(C) shall have executed confidentiality/non-compete agreements with Buyer in the form attached hereto as EXHIBIT 10.05(C).

10.06. FINANCING COMMITMENT. The Buyer Parties shall have received financing of no less than \$200,000,000 having terms no less favorable to them than are contained in the Commitment Letter provided to Seller on the date hereof, as necessary to consummate the Contemplated Transactions.

10.07. LITIGATION. There shall not be in effect on the Closing Date any order, writ, judgment, decree or similar order or any Law, of any Governmental Authority restraining, enjoining or questioning the validity of, or otherwise prohibiting or making illegal the consummation of, any of the transactions contemplated by the Transaction Documents. There shall not be pending or Threatened on the Closing Date any action or proceeding that questions the validity or legality of this Agreement or the transactions contemplated by this Agreement or that seeks injunctive relief in connection therewith.

10.08. OPINION OF SELLER'S COUNSEL. Seller shall have delivered to Buyer an opinion of Ballard Spahr Andrews & Ingersoll, LLP dated the Closing Date in a form mutually agreed upon by the parties.

10.09. SELLER PARTIES' DELIVERIES. Each Seller Party, as applicable, shall deliver on the Closing Date the following items and documents to Buyer:

(a) Physical delivery of all Tangible Assets by making them available at Seller's offices, together with any and all warranties, manuals, instructions and other literature in the possession of Seller relating to the ownership or operation of the Tangible Assets. In addition, such notices to telephone companies, internet service providers and others required to transfer Seller's telephone and facsimile numbers, e-mail addresses, intellectual property addresses and domain addresses, used in the Business to Buyer and physical delivery of all books, files and records concerning the Purchased Assets.

(b) Such instruments of assignment, transfer or conveyance executed by Seller, as Buyer may reasonably request in order to assign, convey and transfer to Buyer good and marketable title to all of the Purchased Assets, free and clear of all Liens, other than Permitted Liens, including, but not limited to, a bill of sale reasonably satisfactory to Buyer.

(c) Certificates, on behalf of each of the Seller Parties, executed by the President or Trustee, as applicable, of each of the Seller Parties, dated the Closing Date, certifying that the conditions set forth in Sections 10.01 through 10.04 have been satisfied; and

(d) Physical delivery of all original or certified copies of documentation concerning the Seller IP, including, but not limited to, registrations and applications of any patents, copyrights, trade marks or service marks, original artwork, data bases, computer programs, notes, sketches, flowcharts, diagrams and software.

10.10. GOVERNANCE.

Seller shall deliver to Buyer the following corporate documentation with respect to Seller:

(a) Seller shall deliver to Buyer the following corporate documentation:

(i) Seller's Articles of Incorporation, certified as of a date within ten (10) days prior to the Closing Date by the Department of State of the Commonwealth of Pennsylvania and Seller's Bylaws, both certified as of the Closing Date by the President or Secretary of Seller as being in full force and effect;

(ii) Subsistence Certificate with respect to Seller, certified as of a date within ten (10) days prior to the Closing Date from the Secretary of State of the Commonwealth of Pennsylvania and Good Standing Certificates in each other state in which Seller is qualified to do business;

(iii) Resolutions of the Board of Directors of Seller and each of the Principals in their capacities as sole shareholders, approving this Agreement and all the transactions contemplated hereby on behalf of Seller and certified by the President or Secretary of Seller, respectively, as being in full force and effect and unmodified;

(iv) An incumbency and specimen signature certificate with respect to the officers of Seller executing this Agreement and any Transaction Documents to which Seller is a party.

(b) Seller shall deliver to Buyer the following other documentation:

(i) A confidentiality/non-compete agreement between Buyer and Dave Gorelick in the form attached hereto as EXHIBIT 10.10(B)(I);

(ii) such other documents, instruments or certificates as shall be reasonably requested by Purchaser or its counsel to consummate the Contemplated Transactions;

(iii) the Trust's governing documents, certified as of a date within five (5) days prior to the Closing Date by the Trustee as being in full force and effect; and

(iv) A resolution of the Trust approving this Agreement and the Contemplated Transactions.

10.11. OTHER TRADENAME CHANGE Seller shall deliver to Buyer evidence that Seller has changed its name and any and all required instruments deemed necessary by any and all applicable Governmental Authorities to terminate any previously filed assumed name or similar certificates regarding such tradenames listed on SCHEDULE 5.17.

10.12. TRANSITIONAL SERVICES AGREEMENT; ESCROW AGREEMENT. Seller shall execute and deliver to Buyer the Transitional Services Agreement and an Escrow Agreement having terms and conditions mutually agreed upon by the parties.

10.13. ESTOPPEL LETTERS. Seller shall deliver to Buyer estoppel letters in a form reasonably acceptable to Buyer and dated not more than ten (10) days prior to the Closing Date, with respect to (a) the Leased Real Property, (b) those Assumed Contracts listed on SCHEDULE 10.13 attached hereto and (c) the Indebtedness set forth on SCHEDULE 10.13, executed by the landlord of each respective Leased Real Property, the hospital facility of each such Assumed Contract and the bank(s), as applicable.

10.14. TERMINATION OF LIENS. Seller shall deliver to Buyer evidence, in form and substance satisfactory to Buyer in its sole and absolute discretion, of the full and unconditional release of any Liens, other than Permitted Liens, on the Purchased Assets.

10.15. HSR ACT. All filings required under the HSR Act, if any, shall have been made and any required waiting period under the laws applicable to the Contemplated Transactions shall have expired or earlier terminated.

10.16 WORKER'S COMPENSATION INSURANCE. Seller shall have delivered to Buyer an Estoppel Letter from AIG regarding Seller's workers' compensation insurance in a form reasonably acceptable to Buyer and dated not more than ten (10) days prior to the Closing Date.

10.17. SUBLEASE. Buyer and Drexel Technical, Inc., shall have entered into a Sublease pursuant to which Drexel Technical, Inc. subleases space from Buyer at the Facility.

10.18. INDEBTEDNESS. All funded debt of the Seller as well as any amounts due to any Related Person of the Seller or any of the Principals shall have been paid in full and Seller shall have delivered to Buyer, evidence, satisfactory to Buyer, to such effect.

10.19 FAILURE TO OBTAIN CONSENTS, LICENSES, PERMITS AND APPROVALS. Without restricting Buyer's right not to proceed to the Closing if the conditions in Article X are not satisfied, to the extent that the rights of Seller under any contract, license, permit or approval or other Purchased Asset or Assumed Liability to be assigned to Buyer under this Agreement may not be assigned without the consent of another person or entity which, notwithstanding Seller's use of its best efforts to obtain any such required consent(s) as promptly as possible, have not been obtained by the Closing Date, Buyer may elect that this Agreement not constitute an agreement to assign the same if an

attempted assignment would constitute a breach thereof or be unlawful and, instead, proceed with Closing, provided Buyer indemnifies for same pursuant to Article XIV.

ARTICLE XI.
CONDITIONS PRECEDENT TO THE SELLER PARTIES' OBLIGATIONS

All obligations of the Seller Parties under this Agreement are subject, at the Seller Parties' option, to the fulfillment prior to or at the Closing, of each of the following conditions:

11.01. REPRESENTATIONS AND WARRANTIES ACCURATE. The representations and warranties of the Buyer Parties contained in this Agreement shall be true and correct (x) in all respects with regard to representations and warranties limited by materiality qualifications or references to Material Adverse Effect and (y) in all material respects with regard to all other representations and warranties, as of the date of this Agreement and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

11.02. PERFORMANCE OF COVENANTS AND AGREEMENTS. Each Buyer Party shall have performed, in all material respects, all of the covenants and agreements required to be performed by such Buyer Party at or prior to the Closing pursuant to this Agreement.

11.03. LITIGATION. There shall not be in effect on the Closing Date any order, writ, judgment, decree or similar order or any Law, of any Governmental Authority restraining, enjoining or questioning the validity of, or otherwise prohibiting or making illegal the consummation of, any of the transactions contemplated by the Transaction Documents. There shall not be pending or Threatened on the Closing Date any action or proceeding that questions the validity or legality of this Agreement or the transactions contemplated by this Agreement or that seeks injunctive relief in connection therewith.

11.04. BUYER'S AND PARENT'S DELIVERIES. Each of the Buyer Parties shall have delivered to Seller a certificate, dated the Closing Date, signed by its respective Chief Executive Officer or President, certifying to the effect that, in the case of Buyer, the conditions set forth in Sections 11.01, 11.02 and 11.06 have been satisfied, and, in the case of Parent, that the conditions set forth in Sections 11.01 and 11.02 have been satisfied.

11.05. CORPORATE GOVERNANCE. Each of the Buyer Parties shall have delivered the following corporate documentation to Seller on its respective behalf:

(a) Good Standing certificate with respect to itself, certified as of a date within five (5) days prior to the Closing Date by the Secretary of State of Delaware.

(b) Resolutions of its Board of Directors, approving this Agreement and all the transactions contemplated hereby on behalf of such party, certified by its President or Secretary as being in full force and effect and unmodified.

(c) An incumbency and specimen signature certificate with respect to the officers of Buyer executing this Agreement and any Transaction Documents to which Buyer is a party.

(d) An incumbency and specimen signature certificate with respect to the officers of Parent executing this Agreement and any Transaction Documents to which Parent is a party.

11.06. HSR ACT. All filings required under the HSR Act, if any, shall have been made and any required period under the laws applicable to the Contemplated Transactions shall have expired or earlier terminated.

11.07. EMPLOYMENT AGREEMENTS.

(a) Buyer shall have executed the employment agreements with Davis and Rodden in the form attached hereto as EXHIBIT 10.04(A)(I) and EXHIBIT 10.04(A)(II), respectively.

(b) Buyer shall have executed employment agreements with each of the Key Employees of Seller in the form attached hereto as EXHIBIT 10.04(B).

11.08. TRANSITIONAL SERVICES AGREEMENT; ESCROW AGREEMENT. Buyer shall execute and deliver to Seller the Transitional Services Agreement and the Buyer and Parent shall execute and deliver to Seller the Escrow Agreement having terms and conditions mutually acceptable to the parties.

ARTICLE XII.
EMPLOYEE MATTERS

12.01. EMPLOYMENT. On or prior to the Closing Date, Buyer shall make an offer of employment to each Transferred Employee of Seller; provided, however, that any such offer of employment shall be contingent on the consummation of the Closing. Seller consents to Buyer contacting the Transferred Employees with respect to the desire of such employees to enter the employ of Buyer. Notwithstanding the foregoing, nothing herein shall be construed as to prevent Buyer from terminating the employment of any Transferred Employee at any time after the Closing Date for any reason (or no reason). Seller shall deliver to Buyer as of the Closing Date all personnel files relating to Transferred Employees who have signed authorizations and releases permitting Seller to deliver such files. Buyer will give credit to the Transferred Employees subsequent to the Closing Date for their years of service to Seller prior to the Closing Date with respect to vacation and sick time.

12.02. COBRA. Seller agrees that it shall be Seller's (or its Affiliates') sole responsibility to provide the required notices under Part 6 of Title I of ERISA ("COBRA") to all M&A Qualified Beneficiaries (as defined in Treas. Reg. Section 54.4980B-9, Q&A 4), and that it shall provide coverage under COBRA to such individuals and be responsible for all obligations and liabilities relating to or arising under the COBRA continuation coverage requirements.

12.03 401(K). On or before June 1, 2003, Seller shall cause a "spin-off" of the assets and liabilities of the Med-Staff/Drexel Technical Associates, Inc. 401(k) Profit Sharing Plan (the "Seller 401(k) Plan") resulting in the division of the Seller 401(k) Plan into two separate, identical, component plans and trusts, in accordance with applicable law (including,

without limitation, Section 414(l) of the Code), covering, respectively (i) Transferred Employees and their beneficiaries (the "New 401(k) Plan") and (ii) all other Seller 401(k) Plan participants (and their beneficiaries) (the "Drexel 401(k) Plan"). Seller shall cause the sponsorship of the Drexel 401(k) Plan to be transferred to Drexel Technical Associates, Inc. on or before the Closing Date. Seller shall draft the appropriate documents in a form and substance reasonably satisfactory to Buyer and use its best efforts to take all actions necessary, to the extent possible, to effectuate the intent of this Section 12.03. Effective as of the Closing Date, Buyer shall assume the sponsorship of the New 401(k) Plan subject to, and conditioned upon, the Closing. In the event that the Closing Date occurs on or after June 1, 2003, the Seller represents and warrants that it will maintain and operate the New 401(k) Plan in compliance with applicable law, including, without limitation, ERISA and the Code, and that the representations and warranties set forth in Section 5.15 shall be true and accurate as of the Closing Date.

12.04. WELFARE PLANS.

(a) As of the Closing Date, Buyer shall assume and maintain for the benefit of the Transferred Employees the New Welfare Plans (defined below) and the Seller Plans which cover solely Transferred Employees listed on SCHEDULE 12.04(A) (collectively, the "Assumed Seller Plans").

(b) Immediately prior to, and subject to, the Closing, Seller shall cause all of the Seller Plans that are "employee welfare benefit plans" which cover Transferred Employees as well as other employees of the Seller and its Affiliates ("Seller Welfare Plans") to be divided into separate, identical component plans covering respectively (i) Transferred Employees (and their beneficiaries) (the "New Welfare Plans") and (ii) all other Seller Welfare Plan participants (and their beneficiaries), including without limitation, M&A Qualified Beneficiaries (the "Drexel Welfare Plans"). Immediately prior to, and subject to, the Closing, Seller shall cause the Drexel Welfare Plans to be transferred to Drexel Technical Associate, Inc. Prior to the Closing, Seller shall draft the appropriate documents in a form and substance reasonably satisfactory to Buyer and use its best efforts to take all actions necessary, to the extent possible, to effectuate the intent of this Section 12.04(b). Effective as of the Closing Date, Buyer shall assume the New Welfare Plans subject to, and conditioned upon, the Closing.

(c) Notwithstanding the foregoing, to the extent that Buyer provides similar benefits under a different plan, nothing contained in this Section 12.04 shall cause or result in the Transferred Employees receiving, or being eligible to receive, duplicate benefits or, until December 31, 2003, if the Transferred Employees (and their beneficiaries) are eligible to participate at substantially similar terms in the Buyer's different plan(s) providing similar benefits, require the Buyer to continue such Assumed Seller Plans or New Welfare Plans for any period of time following the Closing Date, or (iii) preclude the Buyer from terminating, amending or suspending the Assumed Seller Plans or the New Welfare Plans.

ARTICLE XIII.
TERMINATION

13.01. RIGHTS TO TERMINATE. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time before the Closing by prompt written notice given in accordance with Section 19.01:

(a) by mutual written instrument signed by Buyer and Seller;

(b) at any time after June 30, 2003 by either Buyer or Seller, if the Closing shall not have occurred on or before such date and such failure to consummate is not caused by a breach of this Agreement by the terminating party (or its Affiliates);

(c) by Buyer, upon a material breach of any representation, warranty or covenant on the part of any of the Seller Parties set forth herein (as determined in accordance with Section 14.07 herein), if such breach is not cured to the satisfaction of Buyer (in its sole and absolute discretion) within fifteen (15) days after delivery of a written notice from Buyer to the Seller Parties specifically describing such breach, or if any representation or warranty of any of the Seller Parties shall have become untrue, in either case such that the conditions set forth in Sections 10.01 through 10.04 would not be satisfied (a "Terminating Seller Event");

(d) by Seller, upon a material breach of any representation, warranty or covenant on the part of Buyer or Parent set forth herein if such breach is not cured to the satisfaction of the Seller Parties (in their sole and absolute discretion) within fifteen (15) days after delivery of a written notice from the Seller Parties to the Buyer Parties specifically describing such breach or if any representation or warranty of Buyer or Parent shall have become untrue, in either case such that the conditions set forth in Section 11.01 or 11.02 would not be satisfied (a "Terminating Buyer Event").

13.02. PROCEDURE AND EFFECT OF TERMINATION. In the event of termination of this Agreement by either or both parties pursuant to Section 13.01 hereof, written notice thereof shall forthwith be given to the other party specifying the provision hereof pursuant to which such termination is made, and this Agreement shall forthwith become void and there shall be no liability on the part of the parties hereto (or their respective officers, directors, members or Affiliates), except as set forth in Sections 8.03 (Confidential Information) and 18.01 (Expenses); provided, however, that if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions precedent to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE XIV.
SURVIVAL; INDEMNIFICATION

14.01. SURVIVAL OF REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS.

(a) Notwithstanding any right of Buyer and Parent (whether or not exercised) to investigate the affairs of Seller and the Business or any right of any party (whether or not exercised) to investigate the accuracy of the representations and warranties of the other party contained in this Agreement, Seller and Buyer have the right to rely fully upon the representations, warranties, covenants and agreements of the other contained in this Agreement. Except as provided in the next sentence, the representations, warranties, covenants and agreements of the Seller Parties and the Buyer Parties contained in this Agreement will survive the Closing (i) indefinitely with respect to the representations and warranties contained in Sections 5.01, 5.02, 5.03, 5.07, 5.15, 5.21, 6.01, 6.02 and 6.03 contained in this Agreement; (ii) until thirty (30) calendar days after the expiration of the applicable statutes of limitation (including all periods of extension, whether automatic or permissive) with respect to matters covered by Section 5.19; and (iii) until the date that is eighteen (18) months after the Closing Date in the case of all other representations and warranties; provided, however, that any representation, warranty, covenant or agreement that would otherwise terminate in accordance with clause (ii) or (iii) above will continue to survive with respect to any Claim if a notice shall have been timely given under Section 14.04 on or prior to such termination date, until the related Claim for indemnification has been satisfied or otherwise resolved.

(b) The representations and warranties contained in Article V and Article VI hereof are the only representations and warranties made by the parties in connection with the transactions contemplated by this Agreement and supersede any and all previous written or oral statements made by any of the parties.

14.02. SELLER PARTIES' INDEMNIFICATION OF BUYER. Subject to the terms and limitations of this Article, from and after the Closing, the Seller Parties shall, jointly and severally, indemnify Buyer and Parent and their respective directors, officers, employees, shareholders, members, partners, agents, successors and permitted assigns (collectively, "Buyer Claimants") against any Damages which are caused by or arise out of: (i) the failure to perform or fulfill any covenant or agreement to be performed or fulfilled by the Seller Parties under any of the Transaction Documents, (ii) any inaccuracy in any representation or breach of any warranty made by any of the Seller Parties herein or in any certificate, document or instrument delivered pursuant hereto, (iii) the Retained Liabilities, (iv) the Retained Assets, (v) except for the Assumed Liabilities, the ownership of the Purchased Assets or the operation of the Business prior to the Closing Date, (vi) any Taxes imposed on Buyer attributable to the revenue or income Seller earned prior to the Closing Date, the revenue or income the Business earned prior to the Closing Date, or any Taxes imposed on the Purchased Assets or the Business with respect to the period on or prior to the Closing Date and (vii) the waiver of compliance with applicable Uniform Commercial Code bulk transfer requirements and (viii) any brokerage commission, finders' fee or similar alleged payments alleged to be payable relating to the Contemplated Transactions.

14.03. BUYER PARTIES' INDEMNIFICATION OF SELLER. Subject to the terms and limitations of this Article, from and after the Closing, the Buyer Parties shall, jointly and severally, indemnify Seller and each of its officers, partners, agents, successors and permitted assigns and the Principals (collectively, "Seller Claimants") against any Damages which are caused by or arise out of: (i) the failure to perform or fulfill any covenant or agreement to be performed or fulfilled by the Buyer Parties under any of the Transaction Documents, (ii) any inaccuracy in any representation or breach of any warranty made by any of the Buyer Parties herein or in any certificate, document or instrument delivered pursuant hereto, (iii) the Assumed Liabilities, (iv) the operation of the Business or ownership of the Purchased Assets by Buyer on or after the Closing Date, (iv) any brokerage commission, finders' fee or similar payments alleged to be payable relating to the Contemplated Transactions or (v) Buyer's involvement in the resolution of any Claim subject to the provisions of Section 14.08, whether or not Buyer acts reasonably (such action being conclusively presumed to be for the benefit of Buyer).

14.04. TERMS AND CONDITIONS OF INDEMNIFICATION. The respective obligations and liabilities of the Seller Parties and of the Buyer Parties to indemnify each other pursuant to this Article XIV shall be subject to the following terms and conditions:

(a) The party seeking indemnification (the "Claimant") must promptly give the party or parties from which it is seeking indemnification (collectively, the "Indemnitor"), written notice of any such Claim. The Claimant's failure to give prompt notice, however, shall not serve to eliminate or limit the Claimant's right to indemnification hereunder except to the extent such failure materially prejudices the rights of the Indemnitor. Any indemnity notice (an "Indemnity Notice") shall state (with reasonable specificity) the basis on which any indemnification is being sought, set forth the amount of Damages for which indemnification is being sought, and in the case of third party claims, be accompanied by copies of all relevant pleadings, demands and other papers served on the Claimant.

(b) The respective obligations and liabilities of the Seller Parties and the Buyer Parties to indemnify pursuant to this Article XIV in respect of any Claim or assertion of liability by a third party shall be subject to the following additional terms and conditions:

(i) The Indemnitor shall have the right to undertake, by counsel of its own choosing reasonably satisfactory to Claimant, the defense, compromise and settlement of such Claim.

(ii) In the event that the Indemnitor shall elect not to undertake such defense, or within a reasonable time after notice of any such Claim from the Claimant shall fail to defend, the Claimant (upon further written notice to the Indemnitor) shall have the right to undertake the defense, compromise or settlement of such Claim, by counsel of its own choosing, on behalf of and for the account and risk of the Indemnitor (subject to the right of the Indemnitor to assume defense of such Claim at any reasonable time prior to settlement, compromise or final determination thereof).

(iii) Anything in this Section 14.04 to the contrary notwithstanding, (a) if there is a reasonable probability that a Claim may materially and adversely affect the Claimant other than as a result of money damages or other money payments, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the Claim, (b) the Indemnitor shall not, without the Claimant's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the claiming party or the plaintiff to the Claimant of a release from all liability in respect of such Claim, (c) the Indemnitor shall not, without the Claimant's written consent, consent to the entry of any order with respect to a Claim, or compromise or settle any Claim, on terms imposing any obligation on the Claimant other than the payment of money in a single installment (which amount shall be paid by Indemnitor), (d) except as set forth in subsection (iv) below, the Claimant shall not, without the Indemnitor's written consent, which shall not be unreasonably withheld, consent to the entry of an order with respect to a Claim, or compromise or settle any Claim and (e) in the event that the Indemnitor undertakes the defense of any Claim, the Claimant by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such Claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such Claim.

(iv) If the Indemnitor fails to pay, compromise or settle the Claim within sixty (60) days of the date of receipt of the notice thereof pursuant to Section 14.04(a) or to commence to contest the Claim within such 60-day period and thereafter to prosecute such contest diligently, the Claimant may pay the Claim and the Indemnitor shall promptly, upon written demand of Claimant, reimburse Claimant for the full amount of such payment, plus interest from the date of such payment by Claimant to the date of reimbursement by Indemnitor at the publicly announced base interest rate of Citibank, N.A. (or any successor bank) in effect from time to time during such period.

14.05. LIMIT ON INDEMNIFICATION.

(a) The amount of Damages for which indemnification is provided under this Article XIV shall be net of any amounts recovered by the Claimant under Insurance Policies on its behalf (after giving effect to any deductibles) with respect to such Damages. A Claimant will be required to use reasonable commercial efforts to pursue collection under any of its Insurance Policies, as applicable. For purposes of this Agreement, "Damages" shall be deemed to include the portion of any increases in insurance premiums shown to be attributed to Claims for which indemnification was to be provided under this Agreement but for recovery by the Claimant under Insurance Policies on its behalf.

(b) Notwithstanding anything herein to the contrary, (i) the Seller Parties shall not be required to indemnify a Buyer Claimant under Section 14.02(ii) or Section 14.02(v) unless, and only to the extent that, the aggregate cumulative sum of all Claims for which indemnity would otherwise be due under Section 14.02 exceeds \$900,000. Notwithstanding anything herein to the contrary, the Buyer Parties shall not be required to indemnify a Seller Claimant under Section 14.03(ii) unless, and only to the extent that, the aggregate cumulative

sum of all claims for which indemnity would otherwise be due under Section 14.03 exceeds \$900,000. This Section 14.05 shall not apply to any claims of fraud.

(c) The total amount of indemnification to be paid jointly and severally by the Seller Parties on the one hand, and the Buyer Parties on the other hand pursuant to this Article XIV shall be limited to fifty percent (50%) of the Purchase Price actually paid to the Seller Parties.

14.06 EXCLUSIVE REMEDY. The indemnification in this Article XIV shall be the exclusive remedy of the parties hereto with respect for claims for Damages; provided, however, in no event will this Article XIV limit any rights to injunctive or other equitable relief pursuant to the terms herein.

14.07. QUALIFICATIONS. Notwithstanding anything to the contrary in this Agreement, for purposes of the application of the indemnity provisions in this Article XIV, the determination of whether a breach of any representation, warranty or covenant in this Agreement has occurred and the amount of any Damages resulting therefrom shall be determined without giving effect to any "Material Adverse Effect" qualification or any other materiality or similar qualification contained in the representations, warranties, covenants or agreements herein.

14.08 OTHER CLAIMS. Each of the parties hereto acknowledges and agrees that in the event Seller is Threatened with or receives written notice of the commencement of any proceeding against Seller by any of its former healthcare facility customers that is also a client of Buyer and/or its Affiliates, Seller will promptly notify Buyer in writing of the same. Such notice shall identify (i) the name of the healthcare facility, (ii) copies of all notices and documentation delivered to Seller by the healthcare facility or its Representatives, (iii) a detailed description of the alleged event(s) leading to the Claim and (iv) a summary of Seller's position regarding such Claim. Because any such Claim could adversely affect the relationship between Buyer and such healthcare facility, the Principals agree not to consent to the entry of any order with respect to any such Claim or compromise or settle any such Claim without first obtaining Buyer's written consent (which will not be unreasonably withheld or delayed), subject to Buyer's indemnification obligation arising if Buyer's involvement increases the cost to Seller of the resolution of such Claim.

ARTICLE XV.
INDEMNITY HOLDBACK AMOUNT ARRANGEMENTS

15.01. INDEMNITY HOLDBACK PAYMENT.

(a) If Buyer delivers to Seller an Indemnity Notice and Seller does not give written notice of its objection on or before the twentieth Business Day thereafter (the "Indemnity Claim Objection Period"), the Indemnity Holdback Amount will be reduced, as set forth in Section 15.01(b)(ii)(x), by the amount of such Claim (the amount of each such reduction being an "Indemnity Holdback Payment Deduction") and shall be considered to be paid to Buyer in satisfaction of the Claim set forth in the Indemnity Notice. If Seller gives written notice of its objection to an Indemnity Notice during the Indemnity Claim Objection Period, the Claim will not give rise to an Indemnity Holdback Payment Deduction until Seller gives written notice of its consent to such Claim or as provided in

Section 15.01(c). Notwithstanding anything to the contrary in this Agreement, Seller's obligations under Section 14.02 will not be limited to the Indemnity Holdback Amount.

(b) On the date eighteen (18) months after the Closing Date (the "Indemnity Holdback Payment Date"), Buyer and Seller shall direct the Escrow Agent to release an amount of cash (the "Indemnity Holdback Payment") to Buyer, equal to (i) the Indemnity Holdback Amount minus (ii) the sum of (x) any Indemnity Holdback Payment Deductions and (y) the amount of any additional Claims made by Buyer pursuant to an Indemnity Notice that are pending or unresolved as of the Indemnity Holdback Payment Date.

(c) If, on the Indemnity Holdback Payment Date, any amounts are withheld from Seller under Section 15.01(b)(ii)(y) ("Withheld Amounts"), Buyer and Seller shall direct the Escrow Agent to deliver such amounts to Seller when and to the extent (i) Buyer gives written notice of its consent to make such payments, (ii) Seller, in the case of Claims other than Third-Party Claims, delivers to Buyer a final order of a court of competent jurisdiction (a "Final Order"), or, if the parties agree to arbitration, an arbitrator agreed to by the parties, with respect to such Claim ordering such payment or (iii) in the case of Third-Party Claims, Buyer receives a Final Order determining that the amounts payable by Buyer with respect to such Claims are less than the Withheld Amounts with respect thereto. Notwithstanding anything to the contrary in this Article XV, Seller will not be entitled to any Withheld Amounts with respect to which Seller does not commence litigation, or, if arbitration is agreed to by the parties, arbitration, on or before the date six months after the Indemnity Holdback Payment Date other than Withheld Amounts relating to Claims to the extent they arise from third-party claims commenced against Buyer (or Buyer and Seller) ("Third-Party Claims").

(d) Buyer shall, in any Indemnity Notice it delivers prior to the Indemnity Holdback Payment Date, set forth the sum of (x) all Indemnity Holdback Payment Deductions and (y) all additional Claims made by Buyer pursuant to an Indemnity Notice that are pending or remain unresolved. In addition, up to once per calendar quarter, upon the written request of Seller, Buyer shall deliver a statement, signed by an officer of Buyer, setting forth the sum remaining in the Indemnity Holdback Amount. Any amount of the Indemnity Holdback Payment not required to be released by the Escrow Agent to Seller under this Section 15.01 shall be released to Buyer on the Indemnity Holdback Payment Date.

ARTICLE XVI.
COOPERATION IN VARIOUS MATTERS

16.01. MUTUAL COOPERATION. After the Closing, the Seller Parties and Buyer shall cooperate with each other as reasonably requested between them in connection with the prosecution or defense of any claims or other matters relating to the Business or the Purchased Assets. Such cooperation shall include the furnishing of testimony and other evidence as reasonably requested, permitting access to employees during normal business hours, upon reasonable notice and without undue interruption and providing information regarding the whereabouts of former employees.

16.02. PRESERVATION OF SELLER PARTIES' FILES AND RECORDS. For a period of six (6) years after the Closing, the Seller Parties shall, and shall cause their Subsidiaries, if any, to, preserve all files and records in their possession relating directly and primarily to the Business, allow the Buyer Group access to such files and records and the right to make copies and extracts therefrom at the Buyer Group's expense at any time during normal business hours and upon reasonable notice, and not dispose of any thereof, except that at any time after the Closing, any Seller Party may, but shall not be required to, give Buyer written notice of its intention to dispose of any records that are more than six (6) years old, specifying the items to be disposed of in reasonable detail. Any Buyer Entity may, within a period of sixty (60) days after receipt of any such notice, notify such Seller Party of the Buyer Group's desire to retain one or more of the items to be disposed of. Such Seller Party shall, upon receipt of such a notice from the Buyer Group, deliver such items as reasonably requested, at the Buyer Group's expense.

ARTICLE XVII.
POST-CLOSING MATTERS

17.01. INFORMATION FOR REPORTS. At the reasonable request of Seller, Buyer shall provide to Seller on a timely basis, in such form as Seller may reasonably request, such information relating to Seller and the Business for periods ending on or prior to the Closing Date as Seller may require in order to enable it to prepare financial, Tax and other reports and statements for such periods.

17.02. FURTHER COOPERATION AND ASSISTANCE.

(a) The parties hereto will, at any time and from time to time after the Closing Date, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further deeds, assignments, powers of attorney, instruments of conveyance, transfer and license, and take such additional actions, as the other party or their successor and/or assigns, may reasonably request, to effect, consummate, confirm or evidence the transactions contemplated by this Agreement, including for the better assigning, transferring, granting, conveying, assuring and confirming to Buyer any Purchased Assets.

(b) The Seller Parties shall, after the Closing Date, cooperate and provide assistance to Buyer on the terms and conditions set forth in the Transitional Services Agreement.

(c) After the Closing Date, unless Buyer shall otherwise agree in writing, Seller shall: accurately prepare and file in the time periods prescribed therefor all Tax Returns with respect to income attributable to the Business in the period prior to the Closing Date, and pay when due all Taxes due and owing with respect thereto to the extent they may create any encumbrance on any Asset, discharge all Retained Liabilities in the Ordinary Course of Business in accordance with past practices and not use the Seller IP.

17.03. PAYMENTS RECEIVED BY SELLER SUBSEQUENT TO THE CLOSING DATE. From and after the Closing, Buyer shall have the right and authority to endorse without recourse the name of Seller on any check or any other evidences of indebtedness received by Buyer on account of the Business, the Purchased Assets or the Assumed Liabilities. After the Closing, Seller will hold and promptly

transfer and deliver to Buyer (in no event later than five (5) days after receipt), from time to time, as and when received, any cash, checks with appropriate endorsements or other property that Seller may receive on or after the Closing which properly belongs to Buyer and will account to Buyer for all such receipts.

17.04. PENDING DISPUTES. Except as listed on SCHEDULE 17.04, from and after the Closing Date, Buyer shall have complete control over the payment, settlement or other disposition of, or any dispute involving, any customer of the Business and any Purchased Asset, obligation or liability of Seller acquired or assumed by Buyer pursuant hereto, and Buyer shall have the right to conduct and control all negotiations and proceedings with respect thereto upon disclosing to and consulting with Seller. Seller shall notify Buyer immediately of any claim made with respect to any such customer, asset, obligation or liability and shall not, except with the prior written consent of Buyer, make any payment of, or settle or offer to settle, or consent to any compromise with respect to, any such obligation or liability. Seller shall cooperate with Buyer in any reasonable manner requested by Buyer in connection with any negotiations or proceedings involving any such obligation or liability.

ARTICLE XVIII.
EXPENSES

18.01. BUYER'S AND SELLER PARTIES' EXPENSES. Except as otherwise provided in this Agreement, the Buyer Parties, on their behalf, and the Seller Parties, on their behalf, shall pay the expenses incurred by or on behalf of such party in connection with the transactions contemplated by this Agreement, including, but not limited to, expenses in connection with the preparation, authorization, execution and performance of this Agreement and the Transaction Documents and all fees and expenses of such party's brokers, finders, agents, representatives, counsel and accountants.

18.02. TRANSFER TAXES. Buyer shall pay the cost of any sales, transfer, value added, excise, recording, registration or similar Taxes (but excluding any capital gains taxes or similar Taxes) applicable to the transfer of the Purchased Assets pursuant to this Agreement.

ARTICLE XIX.
NOTICES

19.01. NOTICES. All notices, requests, demands and other communications required or permitted to be given under this Agreement or any of the Transaction Documents shall be deemed to have been duly given if in writing and delivered personally, delivered by facsimile transmission (upon telephonic confirmation of receipt), or delivered by overnight courier or first-class, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

If to the Seller Parties:

Seller:
Med-Staff, Inc.
4 Aronwold Lane
Newtown Square, PA 19073
Attn: Mr. William G. Davis
Fax No.: (610) 353-7850
E-mail address: bdavis@medstaffinc.com

Shareholders:
Mr. William G. Davis
4 Aronwold Lane
Newtown Square, PA 19073
Attn: Mr. William G. Davis
Fax No.: (610) 353-7850
E-mail address: bdavis@medstaffinc.com

Davis Family Electing Small Business Trust
4 Aronwold Lane
Newtown Square, PA 19073
Attn: Mr. William G. Davis
Fax No.: (610) 353-7850
E-mail address: bdavis@medstaffinc.com

And

Mr. Timothy Rodden
18 Castle Rock Drive
Havertown, PA 19083
Fax No.: (610) 353-7850
E-mail address: trodden@medstaffinc.com

With, in any such case, a mandatory copy to:

Ballard Spahr Andrews & Ingersoll, LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
Attn: John B. Wright, II, Esquire
Fax No.: (215) 864-8999
E-mail address: wrightj@ballardspahr.com

If to the Buyer Parties:

c/o Cross Country, Inc.
6551 Park of Commerce Blvd., N.W.
Suite 200
Boca Raton, FL 33487
Attn: Victor Kalafa Fax: (800) 565 9774
Fax No.: (800) 551-7782
E-mail address: vkalafa@crosscountry.com

With a copy to:

Proskauer Rose LLP
1585 Broadway
New York, New York 10036
Attn: Stephen W. Rubin, Esq.
Fax No.: (212) 969-2900
E-mail address: srubin@proskauer.com

Any party may change the address to which such communications are to be directed to it by giving written notice to the other party in the manner provided above.

ARTICLE XX.
MISCELLANEOUS

20.01. ENTIRE AGREEMENT. This Agreement and the Transaction Documents set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and thereof and supersede the Letter of Intent and all prior agreements, arrangements and understandings relating thereto. No representation, promise, inducement or statement of intention relating to the transactions contemplated by this Agreement has been made by any party or any Related Person which is not set forth in this Agreement or in the Transaction Documents.

20.02. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, excluding any conflict-of-laws provisions thereof that would otherwise require the application of the law of any other jurisdiction.

20.03. SUCCESSORS AND ASSIGNS. This Agreement shall not be transferred or assigned by any of the Seller Parties without the prior written consent of Buyer or by Parent without the prior written consent of Seller. Any permitted assignee shall assume, and shall agree to be bound by, all obligations of the assignor to be performed under this Agreement from and after the date of such assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

20.04. AMENDMENTS AND WAIVER. This Agreement may be amended, superseded or canceled, and any of the terms hereof may be waived, only by a written instrument specifically referring to this Agreement and specifically stating that it amends, supersedes or cancels this Agreement or waives any of its terms, executed by each of the Buyer Parties and each of the Seller Parties. Failure of any party to insist upon strict compliance with any of the terms of this Agreement in one or more instances shall not be deemed to be a waiver of its rights to insist upon such compliance in the future, or upon compliance with other terms hereof.

20.05. CAPTIONS. The captions used in this Agreement are for convenience of reference only and shall not be considered in the interpretation of the provisions hereof.

20.06. EXPENSES. Except as otherwise expressly provided 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 Contemplated Transactions, including all fees and expenses of agents, representatives, counsel and accountants.

20.07. BINDING EFFECT. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, heirs, successors and permitted assigns, whether so expressed or not.

20.08. THIRD PARTIES. Unless expressly stated herein to the contrary, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties hereto and their respective legal representatives, successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

20.09. SCHEDULES INCLUDED IN EXHIBITS; INCORPORATION BY REFERENCE. Any reference to an Exhibit to this Agreement contained herein shall be deemed to include any Schedules to such Exhibit. Each of the Exhibits referred to in this Agreement (including Schedules thereto), and each Schedule to this Agreement is hereby incorporated by reference in this Agreement as if such Exhibits and Schedules were set out in full in the text of this Agreement.

20.10. ARBITRATION. Any controversy or claim between the Seller Parties and the Buyer Parties with respect to the subject matter of this Agreement will be determined by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law) and the Expedited Procedures under the Commercial Arbitration Rules of the American Arbitration Association or such other rules and procedures as the parties to the dispute may hereafter consent to in writing. Judgment upon any arbitration award may be entered into in any court having jurisdiction. Any party to this Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim under this Agreement in any court having jurisdiction over such action. The arbitration will be conducted in New York, New York by a three-person panel and administered by the American Arbitration Association. All arbitration hearings will commence within ninety (90) days of the demand for arbitration. One arbitrator shall be appointed by the Seller Parties and one arbitrator shall be appointed by the Buyer Parties and, such arbitrators shall use commercially reasonable efforts to jointly appoint a third arbitrator who has either a knowledge of the staffing industry or knowledge of the healthcare industry. Further, the arbitrators will only, upon a showing of cause, be permitted to extend the commencement of such hearing for up to an additional sixty (60) days. Notwithstanding the above, any party may seek equitable relief permitted by this Agreement from any court of competent jurisdiction. The dispute that is the subject of such request for equitable relief shall be submitted to arbitration in accordance with this Section 20.10.

20.11. SEVERABILITY. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable

and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

20.12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile signature page shall be binding upon any party so confirming.

20.13. NO CONSTRUCTION AGAINST DRAFTSMEN. The parties acknowledge that this is a negotiated agreement, and that in no event shall the terms hereof be construed against either party on the basis that such party, or its counsel, drafted this Agreement.

20.14. ENFORCEMENT COSTS. If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including, but not limited to, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that civil action, arbitration or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, but not limited to, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing party.

20.15. EQUITABLE REMEDIES. Each of the parties acknowledges that the parties will be irreparably damaged (and damages at law would be an inadequate remedy) if this Agreement is not specifically enforced. Therefore, in the event of a breach or Threatened breach by any party of any provision of this Agreement, then the other parties shall be entitled, in addition to all other rights or remedies, to an injunction restraining such breach, without being required to show any actual damage or to post an injunction bond, and/or to a decree for specific performance of the provisions of this Agreement.

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

CROSS COUNTRY NURSES, INC.

By: /s/ Joseph A. Boshart

Name: Joseph A. Boshart
Title: President

CROSS COUNTRY, INC.

By: /s/ Joseph A. Boshart

Name: Josheph A. Boshart
Title: President

MED-STAFF, INC.

By: /s/ William G. Davis

Name: William G. Davis
Title: CEO/President

DAVIS FAMILY SMALL BUSINESS ELECTING TRUST

By: /s/ William G. Davis

Name: William G. Davis
Title: Trustee

/s/ William G. Davis

William G. Davis, individually

/s/ Timothy Rodden

Timothy Rodden, individually

DAVIS FAMILY SMALL BUSINESS ELECTING TRUST

/s/ Deborah A. Davis

- - - - -

Deborah A. Davis

/s/ James Davis

- - - - -

James Davis

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

dated as of June 5, 2003

among

CROSS COUNTRY HEALTHCARE, INC.,

The Lenders Party Hereto,

CITIGROUP GLOBAL MARKETS INC.,

as Sole Bookrunner and Joint Lead Arranger,

WACHOVIA SECURITIES LLC,

as Joint Lead Arranger,

CITICORP USA, INC.,

as Administrative Agent, Collateral Agent, Issuing Bank and Swingline Lender,

WACHOVIA BANK, NATIONAL ASSOCIATION,

as Syndication Agent,

and

General Electric Capital Corporation,

Key Corporate Capital Inc.,

LASALLE BANK N.A., and

SUNTRUST BANK,

as Documentation Agents

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- Exhibit F: Form of Assignment and Acceptance
- Exhibit G: Form of Subsidiary Guarantee Agreement
- Exhibit H: Form of Security Agreement
- Exhibit I: Form of Pledge Agreement
- Exhibit J: Form of Indemnity, Subrogation and Contribution Agreement
- Exhibit K: Form of Opinion of Proskauer Rose LLP, Counsel for the Borrower

THIRD AMENDED AND RESTATED CREDIT AGREEMENT dated as of June 5, 2003, among CROSS COUNTRY HEALTHCARE, INC., a Delaware corporation (the "Borrower"), the LENDERS (as defined in Article I), CITIGROUP GLOBAL MARKETS INC., as sole bookrunner and joint lead arranger (in such capacity, the "Arranger"), Wachovia SECURITIES LLC, as joint lead arranger (in such capacity, the "Arranger" and together with Citigroup Global Markets Inc., the "Arrangers"), CITICORP USA, INC., as issuing bank (in such capacity, the "Issuing Bank"), as swingline lender (in such capacity, the "Swingline Lender"), as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and as collateral agent for the Lenders (in such capacity, the "Collateral Agent"), Wachovia Bank, National Association, as syndication agent (in such capacity, the "Syndication Agent"), and General Electric Capital Corporation, Key Corporate Capital Inc., LASALLE BANK N.A. and SunTrust Bank, as documentation agents (in such capacity, the "Documentation Agents").

Certain of the parties hereto are parties to the Credit Agreement dated as of July 29, 1999, as amended and restated as of December 16, 1999, and March 16, 2001, and as amended by Waiver and Amendment No. 1 dated as of May 3, 2001, Amendment No. 2 dated as of November 13, 2001, Amendment No. 3 dated as of February 11, 2002 and Amendment No. 4 dated as of November 4, 2002 (collectively, the "Existing Credit Agreement").

The Borrower has entered into a purchase agreement with Med-Staff and certain other parties thereto, pursuant to which Acquisition Subsidiary will acquire all the assets and business of Med-Staff. In connection with the Med-Staff Acquisition, the Borrower has requested that the Existing Credit Agreement be amended and restated by this Agreement. Proceeds of borrowings hereunder will be used by the Borrower to pay the consideration payable in the Med-Staff Acquisition and related fees and expenses, to refinance existing debt and for general corporate purposes of the Borrower and its subsidiaries including, but not limited to, Permitted Acquisitions, and letters of credit issued hereunder will be used for general corporate purposes of the Borrower and its subsidiaries.

The parties hereto are willing to amend and restate the Existing Credit Agreement on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Borrowing" means a Borrowing comprised of ABR Loans.

"ABR Loan" means any ABR Term Loan, ABR Revolving Loan or Swingline Loan.

"ABR Revolving Loan" means any Revolving Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"ABR Term Borrowing" means a Borrowing comprised of ABR Term Loans.

"ABR Term Loan" means any Term Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Account" means any right to payment for goods sold or leased or for services rendered, whether or not earned by performance.

"Acquisition Subsidiary" means Cross Country Nurses, Inc., a Delaware corporation and wholly owned subsidiary of the Borrower.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum equal to the product of (a) the LIBO Rate in effect for such Interest Period and (b) Statutory Reserves.

"Administrative Agent" is defined in the preamble.

"Administrative Agent Fees" is defined in Section 2.05(b).

"Administrative Questionnaire" means an Administrative Questionnaire in the form of Exhibit A.

"Affiliate" means, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Agents" is defined in Section 8.01.

"Aggregate Revolving Credit Exposure" means the aggregate amount of the Lenders' Revolving Credit Exposures.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day; (b) the Base CD Rate in effect on such day plus 1/2 of 1%; and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (c) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the

Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Arrangers" means Citigroup Global Markets Inc., in its capacity as sole bookrunner and joint lead arranger, and Wachovia Securities LLC, in its capacity as joint lead arranger hereunder.

"Asset Acquisition" means a purchase, lease or other acquisition of (a) all or substantially all of the assets of any person; (b) a division or business of any person; or (c) assets that are substantial in relation to the Borrower and the Subsidiaries taken as a whole; provided, however, Asset Acquisition shall not include such acquisitions between the Borrower and any Subsidiary or between Subsidiaries.

"Asset Disposition" means the sale, transfer, licensing or other disposition (directly, by way of merger or formation of a joint venture or otherwise, and including any casualty event or condemnation that results in the receipt of any insurance or condemnation proceeds) by the Borrower or any of the Subsidiaries (other than a sale, transfer, licensing or other disposition to the Borrower or any Subsidiary) of (a) any Equity Interests or Rights of any of the Subsidiaries (including through the issuance of Equity Interests or Rights by any Subsidiary) or (b) any other assets, whether real or personal and whether tangible or intangible, of the Borrower or any of the Subsidiaries; provided, however, that any disposition of inventory, obsolete or worn out assets or Permitted Investments, in each case in the ordinary course of business, shall not be deemed to be an "Asset Disposition" for purposes of this Agreement.

"Asset Purchase Agreement" means the asset purchase agreement dated as of May 8, 2003 among the Borrower, Med-Staff and certain other parties thereto, pursuant to which Acquisition Subsidiary will acquire all the assets and business of Med-Staff.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in the form of Exhibit F or such other form as shall be approved by the Administrative Agent.

"Base CD Rate" means the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly on each Monday (or, if any such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank, N.A. on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank, N.A. from three New York certificate of deposit dealers of recognized standing selected by Citibank, N.A., in either case adjusted to the nearest 1/4 of 1% or, if there is no nearest 1/4 of 1%, to the next higher 1/4 of 1%.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" is defined in the preamble.

"Borrower Information" is defined in Section 9.17(b).

"Borrowing" means (a) a group of Loans of a single Type made by the Lenders on a single date and as to which a single Interest Period is in effect or (b) a Swingline Loan.

"Borrowing Request" means a request by the Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit B.

"Breakage Event" is defined in Section 2.16.

"Business Day" means any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close; provided, however, that when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Expenditures" means, for any period, additions to property, plant and equipment and other capital expenditures of the Borrower and the Subsidiaries that are (or would be) set forth in a consolidated statement of cash flows of the Borrower for such period prepared in accordance with GAAP.

"Capital Lease Obligations" of any person means the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Change of Control" means the occurrence of any of the following events:

(a) (i) any "person" or "group" (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act or any successor provisions to either of the foregoing), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act, other than any one or more of the Permitted Holders, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act, except that a person will be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of shares representing 33% or more of the voting power represented by the capital stock of the Borrower; or

(b) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election or appointment by such Board or whose nomination for election by the shareholders of the Borrower was approved by a vote of 66-2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office.

"Charges" is defined in Section 9.09.

"Charterhouse" means Charterhouse Equity Partners III, L.P.

"Chief Financial Officer" of any person means the chief financial officer of such person.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means all the "Collateral" as defined in any Collateral Document.

"Collateral Agent" is defined in the preamble.

"Collateral Documents" means the Pledge Agreement, the Security Agreement and each of the security agreements and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.10.

"Collateral Requirement" means, at any time, that (a) the Security Agreement (or a supplement referred to in Section 7.15 thereof) and the Pledge Agreement (or a supplement thereto referred to in Section 23 thereof) shall have been duly executed by the Borrower and each Domestic Subsidiary existing at such time, shall have been delivered to the Collateral Agent and shall be in full force and effect; (b) all the outstanding Equity Interests and Rights of the Subsidiaries and other persons owned by the Borrower or the Domestic Subsidiaries and all Indebtedness of the Borrower or any Subsidiary or other person owed to the Borrower or the Domestic Subsidiaries shall have been duly and validly pledged under the Pledge Agreement to the Collateral Agent for the ratable benefit of the Obligees and certificates or other instruments representing such Equity Interests and Rights or Indebtedness (to the extent such Indebtedness is evidenced by certificates or instruments), accompanied by stock powers or other instruments of transfer endorsed in blank, shall be in the actual possession of the Collateral Agent; provided, however, that none of the Borrower or the Domestic Subsidiaries shall be required to pledge more than 65% of the voting Equity Interests (but shall be required to pledge 100% of the non-voting Equity Interests) of any Foreign Subsidiary; provided further, however, that none of the Borrower or the Domestic Subsidiaries shall be required to pledge the Equity Interests and Rights of any person which is not a Subsidiary unless the fair market value of such person's Equity Interests and Rights owned by the Borrower or the Domestic Subsidiaries exceeds \$1,000,000; (c) each document (including each Uniform Commercial Code financing statement and each filing with respect to Intellectual Property owned by the Borrower or any Subsidiary party to the Security Agreement) required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded in order to create in favor of the Collateral Agent for the benefit of the Obligees a valid, legal and perfected first-priority security interest in and lien on the Collateral subject to the Security Agreement (subject to any Lien expressly permitted by Section 6.02) shall have been so filed, registered or recorded and evidence thereof delivered to the Collateral Agent; and (d)(i) each of the Mortgages relating to each of the Mortgaged Properties (if any) shall have been duly executed by the parties thereto and delivered to the Collateral Agent and shall be in full force and effect, (ii) each of such Mortgaged Properties shall not be subject to any Lien other than those expressly permitted under Section 6.02, (iii) each of such Mortgages shall have been filed and recorded in the appropriate recording office and, in connection therewith, the Collateral Agent shall have received evidence satisfactory to it of each such filing and recordation (or arrangements for such filing and recordation satisfactory to the Collateral Agent shall have been made); and (iv) the Collateral Agent shall have received such other documents, including a policy or policies of title insurance

issued by a nationally recognized title insurance company, together with such endorsements, coinsurance and reinsurance as may be requested by the Collateral Agent and the Lenders, insuring the Mortgages as valid first liens on the Mortgaged Properties, free of Liens other than those expressly permitted under Section 6.02, together with such surveys, abstracts, appraisals and legal opinions required to be furnished pursuant to the terms of the Mortgages or as reasonably requested by the Collateral Agent or the Lenders.

"Commitment" means, with respect to any Lender, such Lender's Revolving Credit Commitment and Term Commitment.

"Commitment Fee" is defined in Section 2.05(a).

"Consolidated Interest Expense" means, for any period, the total interest expense of the Borrower and the consolidated Subsidiaries for such period, plus, to the extent not included in such total interest expense, and to the extent incurred by the Borrower or the Subsidiaries during such period, (a) interest expense attributable to capital leases; (b) other than with respect to the Commitments or with respect to any commitments under the Existing Credit Agreement, amortization of debt discount and debt issuance cost, including commitment fees; (c) capitalized interest; (d) non-cash interest expense; (e) commissions, discounts and other fees and charges owed with respect to letters of credit and banker's acceptance financing; (f) net costs associated with Hedging Obligations (including amortization of fees); (g) interest incurred in connection with investments in discontinued operations; and (h) interest accruing on Indebtedness of any other person to the extent such interest is Guaranteed by the Borrower or any Subsidiary; provided, however, that for purposes of determining the ratio set forth in Section 6.13 herein, for any period, Consolidated Interest Expense shall be computed on a consolidated basis for such period after giving effect to all Asset Acquisitions or Stock Acquisitions consummated during such period on a pro forma basis (as if such acquisitions were made on the first day of such period).

"Consolidated Net Income" means, for any period, net income or loss of the Borrower and the Subsidiaries for such period, as determined on a consolidated basis in accordance with GAAP; provided, however, that there shall in any event be excluded (a) the income or loss of any person (other than the Borrower or any wholly owned Subsidiary) except that (i) the Borrower's or any wholly owned Subsidiary's equity in the net income of any such person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such person during such period to the Borrower or any wholly owned Subsidiary as a dividend or other distribution and (ii) the Borrower's or any wholly owned Subsidiary's equity in a net loss of any such person for such period shall be included in determining such Consolidated Net Income; (b) any gain or loss realized upon any Asset Disposition; provided, however, that any tax benefit or tax liability resulting therefrom shall also be excluded in calculating such Consolidated Net Income; (c) any extraordinary gain or loss; provided, however, that any tax benefit or tax liability resulting therefrom shall also be excluded in calculating such Consolidated Net Income; (d) the cumulative effect of a change in accounting principles; and (e) any non-cash compensation expense realized for grants of performance shares, stock options or other stock awards to officers, directors and employees of the Borrower or the Subsidiaries.

"Continuation/Conversion Request" means a continuation/conversion request delivered by the Borrower to the Administrative Agent, in the form of Exhibit C or such other form as shall be approved by the Administrative Agent.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"Credit Documents" means this Agreement, the Letters of Credit, the Subsidiary Guarantee Agreement, the Collateral Documents, the Indemnity, Subrogation and Contribution Agreement and the Notes.

"Credit Event" is defined in Section 4.01.

"Credit Party" means the Borrower and the Subsidiary Guarantors.

"Debt" means, with respect to any person, all Indebtedness of such person of the types referred to in clauses (a), (b), (c), (d), (e) and (h) of the definition of "Indebtedness" and, to the extent not included therein, all Indebtedness incurred pursuant to Section 6.01(a) (other than under clauses (iii), (v) and (vii) of Section 6.01(a)).

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

"Determination Date" means each day that is the second Business Day after a delivery of financial statements pursuant to Section 5.04(a) or (b).

"Disqualified Stock" means, with respect to any person, Redeemable Stock of such person as to which (i) the maturity, (ii) mandatory redemption, or (iii) redemption, repurchase, conversion or exchange at the option of the holder thereof occurs, or may occur, on or prior to the first anniversary of Term Loan Maturity Date; provided, however, that Redeemable Stock of such person that would otherwise be characterized as Disqualified Stock under this definition shall not constitute Disqualified Stock (a) if such Redeemable Stock is convertible or exchangeable into Debt or Disqualified Stock solely at the option of the issuer thereof or (b) solely as a result of provisions thereof giving holders thereof the right to require such person to repurchase or redeem such Redeemable Stock upon the occurrence of a "change of control" occurring prior to the first anniversary of the Term Loan Maturity Date, if (i) such repurchase obligation may not be triggered in respect of such Redeemable Stock unless a mandatory prepayment obligation also arises with respect to the Loans and (ii) no such repurchase or redemption is permitted to be consummated unless and until such person shall have satisfied all mandatory prepayment obligations with respect to the Loans.

"Documentation Agents" is defined in the preamble.

"dollars" or "\$" means lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

"EBITDA" means, for any period, an amount equal to, for the Borrower and the consolidated Subsidiaries, (a) the sum of Consolidated Net Income for such period, plus, without duplication and to the extent deducted from revenues in determining Consolidated Net Income for such period: (i) the provision for taxes based on income or profits or utilized in computing net loss, (ii) Consolidated Interest Expense, (iii) depreciation, (iv) amortization, and (v) any other non-cash charges (other than any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period), minus (b) the sum of (i) all non-cash items included in Consolidated Net Income for such period (other than any such non-cash item to the extent that it will result in the receipt of cash payments in any future period) and (ii) fees and expenses related to any Equity Issuance or issuance of Debt by the Borrower or any of its Subsidiaries; provided, however, that for purposes of determining the ratios set forth in Section 6.12 and Section 6.13 herein, for any period, EBITDA shall be computed on a consolidated basis for such period after giving effect to all Asset Acquisitions or Stock Acquisitions consummated during such period on a pro forma basis, including any operating expense reductions for such period permitted to be reflected in financial statements by Regulation S-X under the Exchange Act (as if such acquisitions were made on the first day of such period).

"environment" means ambient air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, the workplace or as otherwise defined in any Environmental Law.

"Environmental Claim" means any written accusation, allegation, notice of violation, claim, demand, order, directive, cost recovery action or other cause of action by, or on behalf of, any Governmental Authority or any person for damages, injunctive or equitable relief, personal injury (including sickness, disease or death), Remedial Action costs, tangible or intangible property damage, natural resource damages, nuisance, pollution, any adverse effect on the environment caused by any Hazardous Material, or for fines, penalties or restrictions, resulting from or based upon (a) the existence, or the continuation of the existence, of a Release (including sudden or non-sudden, accidental or non-accidental Releases); (b) exposure to any Hazardous Material; (c) the presence, use, handling, transportation, storage, treatment or disposal of any Hazardous Material; or (d) the violation or alleged violation of any Environmental Law or Environmental Permit.

"Environmental Law" means any and all applicable present and future treaties, laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, Release or threatened Release of any Hazardous Material or to health and safety matters, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C.ss.ss.9601 et seq. (collectively "CERCLA"), the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C.ss.ss.6901 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C.ss.ss.1251 et seq., the Clean Air Act of 1970, as amended 42 U.S.C.ss.ss.7401 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C.ss.ss.2601 et seq., the Occupational Safety and Health Act of

1970, as amended, 29 U.S.C.ss.ss.651 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.ss.ss.11001 et seq., the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. ss.ss.300(f) et seq., the Hazardous Materials Transportation Act, 49 U.S.C.ss.ss.5101 et seq., and any similar or implementing state or local law, and all amendments or regulations promulgated under any of the foregoing.

"Environmental Permit" means any permit, approval, authorization, certificate, license, variance, filing or permission required by or from any Governmental Authority pursuant to any Environmental Law.

"Environmental Property" is defined in Section 3.16(a).

"Equity Interests" means (a) with respect to a corporation, shares of the capital stock of such corporation and (b) with respect to a partnership, limited liability company or other person, partnership, limited liability or other equity interests in such person.

"Equity Issuance" means any issuance and sale by the Borrower or by any Subsidiary to a person other than the Borrower or any Subsidiary of any Equity Interests of the Borrower or any Subsidiary or any Rights in respect thereof.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Plan unless the 30-day notice requirement with respect thereto has been waived pursuant to the regulations under Section 4043 of ERISA; (b) the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA; (c) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (d) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the incurrence of any liability under Title IV of ERISA with respect to the termination of any Plan or the complete or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; (f) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or to appoint a trustee to administer any Plan; (g) the receipt by the Borrower or any ERISA Affiliate of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (h) the occurrence of a non-exempt "prohibited transaction" with respect to which the Borrower or any of its Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which the Borrower or

any such Subsidiary could otherwise be liable; and (i) any other event or condition with respect to a Plan or Multiemployer Plan that could reasonably be expected to result in liability of the Borrower.

"Eurodollar Borrowing" means a Borrowing comprised of Eurodollar Loans.

"Eurodollar Loan" means any Eurodollar Revolving Loan or Eurodollar Term Loan.

"Eurodollar Revolving Credit Borrowing" means a Borrowing comprised of Eurodollar Revolving Loans.

"Eurodollar Revolving Loan" means any Revolving Loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate in accordance with the provisions of Article II.

"Eurodollar Term Borrowing" means a Borrowing comprised of Eurodollar Term Loans.

"Eurodollar Term Loan" means any Term Loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate in accordance with the provisions of Article II.

"Event of Default" is defined in Section 7.01.

"Excess Amount" is defined in Section 2.13(h)

"Excess Cash Flow" means, for any fiscal year, EBITDA for such fiscal year less the sum (without duplication) of:

(a)(i) permitted Capital Expenditures made during such fiscal year, (ii) Taxes paid by the Borrower or the consolidated Subsidiaries during such fiscal year, (iii) cash consideration paid for Permitted Acquisitions during such fiscal year (but excluding cash consideration funded from the proceeds of issuances of Equity Interests of the Borrower or any Subsidiary or Indebtedness other than Loans) and paid during such fiscal year in connection with deferred payments related to Permitted Acquisitions, (iv) Consolidated Interest Expense for such fiscal year, (v) increases in Net Working Capital for such fiscal year and (vi) scheduled and mandatory or voluntary repayments of Debt of the Borrower and the consolidated Subsidiaries (excluding any repayment of the Revolving Loans except to the extent that the Revolving Credit Commitments are terminated or permanently reduced by the amount of such repayment at the time thereof) during such fiscal year;

plus the sum of:

(b)(i) decreases in Net Working Capital for such fiscal year, (ii) refunds during such fiscal year of Taxes paid by the Borrower and the consolidated Subsidiaries in prior periods, and (iii) proceeds to the Borrower or the consolidated Subsidiaries from any Indebtedness referred to in Section 6.01(a)(x) in each case to the extent received in cash or cash equivalents during such fiscal year.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any Governmental Authority as a result of a present or former connection between the recipient and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the recipient having received any payment under or taking any other action related to any loan under this Agreement or any Credit Document); (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which such recipient is located; and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.21(a)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that the prior lending office or the assignor, as applicable, of such Foreign Lender was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.20(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.20(e).

"Existing Credit Agreement" is defined in the preamble.

"Facilities" is defined in Section 9.17(a).

"Fair Market Value" means, with respect to any property or assets, the price which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"Federal Funds Effective Rate" means, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fee Letter" means the Fee Letter dated April 11, 2003, between the Borrower, the Citigroup Global Markets Inc. and Citicorp USA, Inc.

"Fees" means (a) the Commitment Fees; (b) the Administrative Agent Fees, (c) the Lender Participation Fees; (d) the L/C Participation Fees; and (e) the Issuing Bank Fees.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles applied on a consistent basis.

"Governmental Authority" means any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

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

"Guarantee Requirement" means that (a) the Subsidiary Guarantee Agreement (or a supplement referred to in Section 20 thereof) shall have been executed by each Domestic Subsidiary existing from time to time, shall have been delivered to the Collateral Agent and shall be in full force and effect and (b) the Indemnity, Subrogation and Contribution Agreement (or a supplement referred to in Section 12 thereof) shall have been executed by the Borrower and each other Obligor, shall have been delivered to the Collateral Agent and shall be in full force and effect.

"Hazardous Materials" means all explosive or radioactive substances or wastes, hazardous or toxic substances or wastes, pollutants, solid, liquid or gaseous wastes, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls ("PCBs") or PCB-containing materials or equipment, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Obligations" means, with respect to any person, all obligations of such person in respect of Interest Rate Agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements.

"Holder" means the person in whose name a Note is registered in the Register.

"Indebtedness" of any person means, without duplication; (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person upon which interest charges are customarily paid; (d) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person; (e) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business); (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such

person, whether or not the obligations secured thereby have been assumed (the amount of any such Indebtedness being deemed to equal the Fair Market Value of such Property); (g) all Guarantees by such person of Indebtedness of others (the amount of any such Indebtedness being deemed to equal the maximum amount for which such person could be liable); (h) all Capital Lease Obligations of such person; (i) all net Hedging Obligations of such person; and (j) all obligations of such person as an account party in respect of letters of credit and banker's acceptances (other than trade letters of credit). The Indebtedness of any person shall include the Indebtedness of any partnership in which such person is a general partner.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" is defined in Section 9.05(b).

"Indemnity, Subrogation and Contribution Agreement" means the Indemnity, Subrogation and Contribution Agreement, substantially in the form of Exhibit J (as amended, supplemented or otherwise modified from time to time), among the Borrower, the Subsidiary Guarantors and the Collateral Agent.

"Interest Payment Date" means (a) with respect to any Loan (other than a Swingline Loan), the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months duration been applicable to such Borrowing, and, in addition, the date of any prepayment of such Borrowing or continuation or conversion of such Borrowing as or to a Borrowing of a different Type and (b) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period" means

(a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on either (i) the day 7 days thereafter solely for Borrowings taking place during the the 30 day period following the Third Restatement Closing Date or (ii) the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter, as the Borrower may elect; and

(b) as to any ABR Borrowing (other than a Swingline Loan), the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Revolving Credit Maturity Date or the Term Loan Maturity Date, as applicable, and (iii) the date such Borrowing is converted to a Borrowing of a different Type in accordance with Section 2.10 or repaid or prepaid in accordance with Section 2.11, 2.12 or 2.13;

provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next

succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day.

"Interest Rate Agreement" means, for any person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect against fluctuations in interest rates.

"Investment" by any person means any direct or indirect loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of such person), advance or other extension of credit or capital contribution (by means of transfers of cash or other property or assets to others or payments for property or assets or services for the account or use of others, or otherwise) to, or incurrence of a Guarantee of any obligation of, or purchase or acquisition of Equity Interests, Rights, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other person; provided, however, that loans, advances or other extensions of credit or capital contributions made to either Cross Country Capital, Inc. or Cross Country Nurses, Inc. solely in connection with the funding of the Med-Staff Acquisition shall not be deemed to be Investments for purposes of this Agreement. In determining the amount of any Investment made by transfer of any property or assets other than cash, such property or assets shall be valued at the Fair Market Value thereof.

"Issuance Request" means a letter of credit issuance request delivered by the Borrower to the Administrative Agent in the form of Exhibit E or such other form as shall be approved by the Administrative Agent and the Issuing Bank.

"Issuing Bank" is defined in the preamble and Section 2.22(i).

"Issuing Bank Fees" is defined in Section 2.05(d).

"Judgment Currency Conversion Date" is defined in Section 9.16.

"L/C Commitment" means the commitment of the Issuing Bank to issue Letters of Credit pursuant to Section 2.22.

"L/C Disbursement" means a payment or disbursement made by the Issuing Bank pursuant to a Letter of Credit.

"L/C Exposure" means at any time the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit plus (b) the aggregate unreimbursed amount of all L/C Disbursements. The L/C Exposure of any Revolving Credit Lender at any time means its Revolving Percentage of the aggregate L/C Exposure at such time.

"L/C Participation Fees" is defined in Section 2.05(d).

"Lender Participation Fees" is defined in Section 2.05(c).

"Lenders" means (a) the financial institutions listed on Annex 1 (other than any such financial institution that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any financial institution that

has become a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means any letter of credit issued pursuant to Section 2.22.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Service (or any successor or substitute page of such service, or any successor or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits approximately equal in principal amount to the Administrative Agent's portion of such Eurodollar Borrowing and for a maturity comparable to such Interest Period are offered to the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset; (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loans" means the Revolving Loans, the Term Loans and the Swingline Loans.

"Margin Stock" is defined in Regulation U.

"Material Adverse Effect" means (a) a material adverse change in the business, assets, operations, properties, condition (financial or otherwise), contingent liabilities, prospects or material agreements of the Borrower and the Subsidiaries, taken as a whole, since December 31, 2002; (b) material impairment of the ability of the Borrower to perform any of its obligations under any Credit Document to which it is or will be a party; or (c) material impairment of the rights of or benefits available to the Lenders under any Credit Document.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or Hedging Obligations, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount for all such Indebtedness and obligations of \$5,000,000 or more. For purposes of determining Material Indebtedness, the "principal amount" of any Hedging Obligation of the Borrower or any Subsidiary at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Obligation were terminated at such time.

"Maximum Rate" is defined in Section 9.09.

"Med-Staff" means Med-Staff, Inc., a Pennsylvania corporation.

"Med-Staff Acquisition" means the acquisition to take place pursuant to a purchase agreement among the Borrower, Med-Staff and certain other parties thereto, pursuant to which Acquisition Subsidiary will acquire all the assets and business of Med-Staff.

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

"Mortgaged Properties" means the real properties of the Borrower and the Domestic Subsidiaries (other than leasehold and subleasehold interests in real properties).

"Mortgages" means mortgages, deeds of trust, leasehold mortgages, assignments of leases and rents, modifications and other security documents reasonably satisfactory to the Collateral Agent, delivered pursuant to Section 5.10.

"MSDW Funds" means Morgan Stanley Dean Witter Capital Partners IV, L.P., MSDW IV 892 Investors, L.P., Morgan Stanley Dean Witter Capital Investors IV, L.P., Morgan Stanley Venture Partners III, L.P., Morgan Stanley Venture Investors III, L.P., and The Morgan Stanley Venture Partners Entrepreneur Fund, L.P.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" means (a) with respect to any Asset Disposition, the cash proceeds thereof, including cash proceeds subsequently received in respect of non-cash consideration initially received, but only as and when received, and any insurance or condemnation proceeds, net of (i) costs of sale (including payment of the outstanding principal amount of, premium or penalty, if any, interest and other amounts on any Indebtedness (other than Loans) required to be repaid under the terms thereof as a result of such Asset Disposition), (ii) taxes attributable to such Asset Disposition in respect of the year in which such Asset Disposition occurs as a direct result thereof, and (iii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations associated with such Asset Disposition; provided, however, that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds; and (b) with respect to any Equity Issuance or any issuance or other disposition of Indebtedness for borrowed money, the cash proceeds thereof net of underwriting commissions or placement fees and expenses directly incurred in connection therewith. For purposes of the foregoing, the Net Cash Proceeds of any disposition of assets through the formation of a joint venture or similar arrangement will be deemed to include all amounts received by the Borrower and the Subsidiaries from such joint venture or other arrangement or the sponsors thereof (other than the Borrower or any Subsidiary), whether characterized as purchase price, license fees or otherwise, other than amounts representing the Borrower's or the Subsidiaries' share of net income of such joint venture or other arrangement.

"Net Working Capital" means, at any date, (a) the consolidated current assets of the Borrower and the Subsidiaries as of such date (excluding cash and Permitted Investments) minus (b) the consolidated current liabilities of the Borrower and the Subsidiaries as of such date (excluding current liabilities in respect of Indebtedness). Net Working Capital at any date shall be a positive

number. Net Working Capital increases when it becomes more positive and decreases when it becomes less positive.

"Non-U.S. Lender" is defined in Section 2.19(e).

"Notes" means any promissory notes delivered pursuant to Section 2.04(e).

"Obligation Currency" is defined in Section 9.16.

"Obligations" means (a) the due and punctual payment by the Borrower or the applicable Obligor of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Obligor to the Administrative Agent, the Collateral Agent, the Lenders, the Issuing Bank or any other person under the Credit Agreement and the other Credit Documents; (b) the due and punctual payment and performance of all covenants, agreements, obligations and liabilities of the Obligor, monetary or otherwise, under or pursuant to the Credit Documents; and (c) the due and punctual payment and performance of all Hedging Obligations of the Borrower or any Subsidiary, monetary or otherwise, under each hedging agreement entered into to limit interest rate risk with a counterparty that was a Lender at the time such hedging agreement was entered into.

"Obligees" means each Lender, the Issuing Bank, the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents, each other "Secured Party" as defined in any Collateral Document, each counterparty to an Interest Rate Agreement entered into with the Borrower if such counterparty was a Lender at the time the Interest Rate Agreement was entered into, the beneficiaries of each indemnification obligation undertaken by the Borrower under any Credit Document, and the successors and permitted assigns of each of the foregoing.

"Obligors" means the Borrower and each Subsidiary that is, or is required by this Agreement to be, a party to the Subsidiary Guarantee Agreement or any Collateral Document.

"Officer" of any person means the chief executive officer, the chief operating officer or the chief financial officer responsible for the administration of the obligations of such person in respect of this Agreement.

"Original Closing Date" means July 29, 1999.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising

from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"PBG" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"Perfection Certificate" means the Perfection Certificate substantially in the form of Annex 2 to the Security Agreement.

"Permitted Acquisition" means an Asset Acquisition or a Stock Acquisition which in either case satisfies each of the following conditions:

(a) the Administrative Agent shall receive at least 30 days' prior written notice of such proposed Permitted Acquisition, which notice shall include a detailed description of such proposed Permitted Acquisition including, without limitation, financial statements of the Target and a description of the business rationale of such acquisition;

(b) with respect to any single acquisition or series of related acquisitions, at least 75% of the revenues of the entity to be acquired for the four fiscal quarters of such entity most recently ended shall be attributable to operations located in the United States;

(c) in the case of an Asset Acquisition, such assets shall comprise a business, or assets of a business, of a type which is the same line of business as the Borrower, or which is a related or complementary business to that of the Borrower; and in the case of a Stock Acquisition, the business of the Target shall be of a type which is the same line of business as that of the Borrower, or which is a related or complementary business to that of the Borrower; provided, however, that no such acquisition would require the Administrative Agent or any Lender to obtain regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any other Credit Documents other than approvals required for the exercise of such rights and remedies with respect to the Borrower prior to such Permitted Acquisition;

(d) in the case of a Stock Acquisition, after giving effect thereto, the Target will either be merged with and into the Borrower, or shall be a wholly owned Subsidiary of the Borrower; provided, however, that management and pre-acquisition holders of the Equity Interests of the Target may own up to 10% in the aggregate of the Equity Interests of such Subsidiary following such Permitted Acquisition so long as no more than two Subsidiaries are less than wholly owned Subsidiaries at any one time;

(e) in the case of a Stock Acquisition, such Permitted Acquisition shall be consensual and shall have been approved by the Target's board of directors;

(f) no additional Indebtedness, Guarantees, or other liabilities shall be incurred, assumed or otherwise be reflected on a consolidated balance sheet of the Borrower after giving effect to such Permitted Acquisition, except (i) Indebtedness permitted under Section 6.01 and operating leases, (ii) ordinary course trade payables and accrued expenses of the Target, and (iii) Indebtedness consisting of Revolving Loans incurred in contemplation of such acquisition for the purpose of financing such acquisition;

(g) the sum of all amounts paid or payable in connection with (i) any single Permitted Acquisition (including all transaction costs and all Indebtedness and Guarantees and other contingent obligations (including any obligations to make earn-out payments or deferred payments) incurred or assumed in connection therewith (whether or not reflected on a consolidated balance sheet of the Borrower) after giving effect to the Permitted Acquisition) shall not exceed \$25,000,000 and (ii) the aggregate amount of all Permitted Acquisitions shall not exceed \$50,000,000 during the term of this Agreement;

(h) the business and assets acquired in such Permitted Acquisition shall be free and clear of all Liens (other than Liens permitted under Section 6.02);

(i) concurrently with delivery of the notice referred to in clause (a), the Borrower shall have delivered to the Administrative Agent a pro forma consolidated balance sheet and statement of income of the Borrower and its Subsidiaries (the "Acquisition Pro Forma Financial Statements"), based on financial data for the period of four fiscal quarters most recently ended and giving pro forma effect to (i) such Permitted Acquisition, (ii) any related incurrences of Indebtedness and (iii) any operating expense reductions permitted to be reflected in financial statements by Regulation S-X under the Exchange Act, in each case as if they had occurred at the beginning of such period, and such Acquisition Pro Forma Financial Statements shall reflect that, on a pro forma basis, no Event of Default shall have occurred and be continuing or would result after giving effect to such Permitted Acquisition; provided, however, that the requirements of this clause (i) shall not apply if, in the case of an Asset Acquisition, a Subsidiary that had owned, directly or indirectly, only such assets as of the most recent fiscal quarter end for which financial statements have been delivered or, in the case of a Stock Acquisition, the Target, if it had been a Subsidiary of the Borrower as of the most recent fiscal quarter end for which financial statements have been delivered, would not have been considered a Significant Subsidiary of the Borrower;

(j) the Borrower shall have delivered a certificate of the Chief Financial Officer of the Borrower to the effect that: (i) the Borrower will be solvent upon the consummation of the Permitted Acquisition and (ii) the Acquisition Pro Forma Financial Statements fairly present in all material respects the financial condition of the Borrower and the Subsidiaries (on a consolidated basis) as of the date thereof after giving effect to the Permitted Acquisition; provided, however, that the requirements of this clause (j) shall not apply if, in the case of an Asset Acquisition, a Subsidiary of the Borrower that had owned, directly or indirectly, only such assets as of the most recent fiscal quarter end for which financial statements have been delivered or, in the case of a Stock Acquisition, the Target, if it had been a Subsidiary of the Borrower as of the most recent fiscal quarter end for which financial statements have been delivered, would not have been considered a Significant Subsidiary of the Borrower;

(k) except where substantially all of the consideration for such acquisition consists of common stock of the Borrower, on or prior to the date of such Permitted Acquisition, the Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent, all opinions, certificates, lien search results and other documents reasonably requested by the Administrative Agent;

(l) the Administrative Agent and the Lenders shall have received Phase I environmental reports (reasonably satisfactory in scope and substance to the Administrative Agent) with respect to any owned property to be acquired;

(m) if applicable, the Collateral Agent shall have received the documents specified in clause (c) of the definition of "Collateral Requirement"; and

(n) at the time of such Permitted Acquisition and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

Notwithstanding the immediately preceding clauses (a)-(n), an Asset Acquisition or a Stock Acquisition will be deemed a Permitted Acquisition if approved in writing by the Required Lenders.

"Permitted Holder" means (a) Charterhouse or any entity controlled by the principals of Charterhouse Group International, Inc. and (b) MSDW Funds or any entity controlled by the principals of the private equity group of Morgan Stanley Dean Witter & Co.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 180 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days of the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any Lender or any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000; or

(d) other investment instruments approved in writing by the Required Lenders.

"person" means any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

"Plan" means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate.

"Pledge Agreement" means the Pledge Agreement, substantially in the form of Exhibit I (as amended, supplemented or otherwise modified from time to time), among the Borrower, the Domestic Subsidiaries party thereto and the Collateral Agent for the benefit of the Obligees.

"Preferred Stock" means any Equity Interest of a person, however designated, which entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such person, over shares of any other class of Equity Interests issued by such person.

"Pricing Adjustment Certificate" means a pricing adjustment certificate delivered by the Borrower to the Administrative Agent in the form of Exhibit D or such other form as shall be approved by the Administrative Agent setting forth the Pricing Margin.

"Pricing Margin" means, for any day, (a) with respect to any Eurodollar Term Loan, 3.25% per annum, (b) with respect to any ABR Term Loan, 2.25% per annum and (c) with respect to any Eurodollar Revolving Loan or ABR Revolving Loan, the applicable percentage set forth below under the caption "LIBOR Spread" or "ABR Spread", as the case may be, based upon the Total Debt/EBITDA Ratio as of the fiscal quarter end immediately preceding the most recent Determination Date:

Total Debt/EBITDA Ratio -----	LIBOR Spread	ABR Spread
	-----	-----
Category 1 Greater than or equal to 2.5 to 1.0	3.25%	2.25%
Category 2 Less than 2.5 to 1.0 but greater than or equal to 2.0 to 1.0	3.00%	2.00%
Category 3 Less than 2.0 to 1.0 but greater than or equal to 1.5 to 1.0	2.75%	1.75%
Category 4 Less than 1.5 to 1.0 but greater than or equal to 1.0 to 1.0	2.50%	1.50%
Category 5 Less than 1.0 to 1.0	2.25%	1.25%

; provided, however, that (a) until December 5, 2003, the Pricing Margin shall be determined by reference to Category 2, and (b) at any time when the Borrower has failed to deliver any financial statements and certificates required to have been delivered under Section 5.04(a) or (b), the Pricing Margin shall be determined by reference to Category 1.

Each change in the Pricing Margin resulting from a change in the Total Debt/EBITDA Ratio shall be effective with respect to all Letters of Credit, Loans and Commitments outstanding on and after the date of delivery to the Administrative Agent of the financial statements and certificates required by Section 5.04(a) or (b) indicating such change until the date immediately preceding the next date of delivery of such financial statements and certificates indicating another such change. Notwithstanding the foregoing, (a) at any time during which the Borrower has failed to deliver the financial statements and certificates required by Section 5.04(a) or (b); or (b) at any time after the occurrence and during the continuance of an Event of Default, the

Total Debt/EBITDA Ratio shall be deemed to be in Category 1 for purposes of determining the Pricing Margin.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as being effective.

"Redeemable Stock" means, with respect to any person, any Equity Interest that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or otherwise (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise; (b) is or may become redeemable or repurchaseable for consideration other than common stock at the option of the holder thereof, in whole or in part; or (c) is convertible or exchangeable, in either case at the option of the holder thereof, for Debt or Disqualified Stock.

"Register" is defined in Section 9.04(d).

"Regulation U" means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Related Fund" means, with respect to any Lender which is a fund that invests in loans, any other fund that invests in loans that is managed by the same investment advisor as such Lender or by an Affiliate of such Lender or such investment advisor.

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

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

"Replaced Lender" is defined in Section 9.08(d).

"Replacement Lender" is defined in Section 9.08(d).

"Required Lenders" means, at any time, Lenders having unused Revolving Credit Commitments, Revolving Credit Exposures, unused Term Commitments and Term Loans representing at least a majority of the sum of all unused Revolving Credit Commitments, Revolving Credit Exposures, unused Term Commitments and Term Loans at such time.

"Revolving Credit Borrowing" means a Borrowing comprised of Revolving Loans.

"Revolving Credit Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder as set forth in Annex 1 or in the Assignment and Acceptance pursuant to which such Lender assumed its Revolving Credit Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 or pursuant to Section 2.21 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender, plus the aggregate amount at such time of such Lender's L/C Exposure and Swingline Exposure.

"Revolving Credit Lender" means a Lender with a Revolving Credit Commitment or a Revolving Credit Exposure.

"Revolving Credit Maturity Date" means June 5, 2008.

"Revolving Loans" means the revolving loans made by the Lenders to the Borrower pursuant to clause (b) of Section 2.01. Each Revolving Loan shall be a Eurodollar Loan or an ABR Loan.

"Revolving Percentage" of any Revolving Credit Lender at any time means the percentage of the Total Revolving Credit Commitment represented by such Lender's Revolving Credit Commitment. In the event the Revolving Credit Commitments shall have been terminated, the Revolving Percentages of the Revolving Credit Lenders shall be determined by reference to the Revolving Credit Commitments most recently in effect (giving effect to any assignments pursuant to Section 9.04).

"Rights" shall mean, with respect to any person, warrants, options or other rights to acquire Equity Interests in such person.

"S&P" means Standard & Poor's Ratings Service, a division of McGraw-Hill, Inc.

"SEC" means the Securities and Exchange Commission or any of its successors.

"Securities Act" means the Securities Act of 1933, as amended and in effect from time to time.

"Security Agreement" means the Security Agreement, substantially in the form of Exhibit H (as amended, supplemented or otherwise modified from time to time), among the Borrower, the Domestic Subsidiaries party thereto and the Collateral Agent for the benefit of the Obligees.

"Significant Subsidiary" means a significant subsidiary as such term is used in Regulation S-X under the Exchange Act.

"Statutory Reserves" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate, or other fronting office making or holding a Loan) is subject for Eurodollar Liabilities (as defined in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute Eurodollar Liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock Acquisition" means an acquisition of Equity Interests of any person.

"subsidiary" means, with respect to any person (herein referred to as the "parent"), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantee Agreement" means the Subsidiary Guarantee Agreement, substantially in the form of Exhibit G (as amended, supplemented or otherwise modified from time to time), made by the Subsidiary Guarantors in favor of the Collateral Agent for the benefit of the Obligees.

"Subsidiary Guarantor" means each Subsidiary that becomes a party to the Subsidiary Guarantee Agreement.

"Supplemental Information Memorandum" means the Supplemental Information Memorandum of the Borrower dated May 2003.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Revolving Percentage of the total Swingline Exposure at such time.

"Swingline Lender" is defined in the preamble and Section 2.23(d).

"Swingline Loan" means a Loan made pursuant to Section 2.23.

"Syndication Agent" is defined in the preamble.

"Target" means a person whose Equity Interests are the subject of a proposed Permitted Acquisition.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Borrowing" means a Borrowing comprised of Term Loans.

"Term Commitment" means, with respect to each Lender, the commitment of such Lender to make Term Loans hereunder as set forth on Annex 1, or in the Assignment and Acceptance pursuant to which such Lender assumed its Term Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.

"Term Loan Maturity Date" means June 5, 2009.

"Term Loan Repayment Date" is defined in Section 2.11(a).

"Term Loans" means the term loans made by the Lenders to the Borrower pursuant to this Agreement. Each Term Loan shall be a Eurodollar Loan or an ABR Loan.

"Third Amended and Restated Credit Agreement" is defined in the preamble.

"Third Restatement Closing Date" means the date on which the conditions specified in Section 4.02 are satisfied (or waived in accordance with Section 9.08).

"Third Restatement Closing Date Transactions" shall mean the borrowings hereunder on the Third Restatement Closing Date, the creation of the Liens provided for in the Collateral Documents, the Med-Staff Acquisition and the payment of the Transaction Costs.

"Total Debt/EBITDA Ratio" is defined in Section 6.12.

"Total Revolving Credit Commitment" means, at any time, the aggregate amount of the Revolving Credit Commitments, as in effect at such time.

"Transactions" means the execution, delivery and performance by each Credit Party of each of the Credit Documents, the Third Restatement Closing Date Transactions and the Borrowings and issuances of Letters of Credit hereunder and the creation of the Liens created by the Collateral Documents.

"Transaction Costs" means fees and expenses associated with the Third Restatement Closing Date Transactions.

"Transaction Documents" means the Asset Purchase Agreement (including the exhibits and schedules thereto), and any other agreement, instrument or other document to be entered into or delivered by, between or among the Borrower, Med-Staff and any of their respective Affiliates in connection with the Med-Staff Acquisition and the other Transactions, as each such agreement, instrument or document may be amended, modified or supplemented from time to time in accordance with the terms thereof and hereof.

"Treasury Rate" means (a) the rate borne by direct obligations of the United States maturing on the tenth anniversary of the Original Closing Date and (b) if there are not such obligations, the rate determined by linear interpolation between the rates borne by two direct obligations of the United States maturing closest to, but straddling, the tenth anniversary of the Original Closing Date, in each case as published by the Board.

"Type", when used in respect of any Loan or Borrowing, refers to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term "Rate" shall include the Adjusted LIBO Rate and the Alternate Base Rate.

"Voting Stock" of a corporation means all classes of Equity Interests of such corporation then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

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

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

SECTION 1.02. Terms Generally. The definitions in Section 1.01 apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Annexes, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Credit Document means such document as amended, restated, supplemented or otherwise modified from time to time and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, applied on a basis consistent with the application used in the financial statements referred to in Section 3.05(a); provided, however, that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Third Restatement Closing Date in GAAP or in the application thereof on the operation of any provision hereof (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance

herewith. All references herein to "term of this Agreement" shall be deemed a reference to the period commencing on the Third Restatement Closing Date.

SECTION 1.03. Pro Forma Computations. All computations required to be made hereunder to demonstrate pro forma compliance with any covenant after giving effect to any acquisition, investment, sale, disposition or similar event shall reflect on a pro forma basis such event and, to the extent applicable, the historical earnings and cash flows associated with the assets acquired or disposed of and any related incurrence or reduction of Indebtedness, but shall not take into account any projected synergies or similar benefits expected to be realized as a result of such event, except for operating expense reductions permitted by Regulation S-X under the Exchange Act.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly,

(a) to make Term Loans to the Borrower, in dollars, on the Third Restatement Closing Date, in an aggregate principal amount not to exceed its Term Commitment; and

(b) to make Revolving Loans to the Borrower, in dollars, at any time and from time to time on or after the Third Restatement Closing Date, and until the earlier of the Revolving Credit Maturity Date and the termination of the Revolving Credit Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment.

Within the limits set forth above and subject to the terms, conditions and limitations set forth herein, the Borrower may borrow, pay or prepay and reborrow Revolving Loans. Amounts paid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Revolving Credit Commitments; provided, however, that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder, and no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender. Except for Loans deemed made pursuant to Section 2.02(f) and Swingline Loans, the Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) in the case of Eurodollar Loans, (A) an integral multiple of \$1,000,000 and not less than \$3,000,000 or (B) equal to the remaining available balance of the applicable Commitments and (ii) in the case of ABR Loans, (A) an integral multiple of \$100,000 and not less than \$300,000 or (B) equal to the remaining available balance of the applicable Commitments; provided, however, that the Borrower may from time to time make a Eurodollar Revolving Credit Borrowing that is an aggregate principal amount that is an integral multiple of \$100,000 and not less than \$300,000 so long as no other Eurodollar Revolving Credit Borrowing that is in an aggregate principal amount of less than \$3,000,000 is then outstanding. Each Swingline Loan shall be

in an amount that is an integral multiple of \$100,000 and not less than \$300,000.

(b) Subject to Sections 2.08 and 2.15, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request pursuant to Section 2.03; provided, however, that each Swingline Loan shall be an ABR Loan. Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided, however, that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and the applicable Note. Borrowings of more than one Type may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in more than eight Eurodollar Borrowings outstanding hereunder at any time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans made pursuant to Section 2.02(f) and Swingline Loans, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 11:00 a.m., New York City time, and the Administrative Agent shall by 12:00 (noon), New York City time, credit the amounts so received to an account in the name of the Borrower, maintained with the Administrative Agent and designated by the Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with clause (c) and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds (which determination shall be conclusive absent manifest error). If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date.

(f) If the Issuing Bank shall not have received from the Borrower the payment required to be made by Section 2.22(e) within the time specified in such Section, the Issuing Bank will promptly notify the Administrative Agent of the L/C Disbursement and the Administrative Agent will promptly notify each Revolving Credit Lender of such L/C Disbursement and its Revolving Percentage thereof. Each Revolving Credit Lender shall pay by wire transfer of immediately available funds to the Administrative Agent not later than 2:00 p.m., New York City time, on such date (or, if such Revolving Credit Lender shall have received such notice later than 12:00 (noon), New York City time, on any day, not later than 10:00 a.m., New York City time, on the immediately following Business Day), an amount equal to such Lender's Revolving Percentage of such L/C Disbursement (and such amount shall be deemed to constitute an ABR Revolving Loan of such Lender and such payment shall be deemed to have reduced the L/C Exposure), and the Administrative Agent will promptly pay to the Issuing Bank amounts so received by it from the Revolving Credit Lenders. The Administrative Agent will promptly pay to the Issuing Bank any amounts received by it from the Borrower pursuant to Section 2.22(e) prior to the time that any Revolving Credit Lender makes any payment pursuant to this clause; any such amounts received by the Administrative Agent thereafter will be promptly remitted by the Administrative Agent to the Revolving Credit Lenders that shall have made such payments and to the Issuing Bank, as their interests may appear. If any Revolving Credit Lender shall not have made its Revolving Percentage of such L/C Disbursement available to the Administrative Agent as provided above, such Lender and the Borrower severally agree to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with this clause to but excluding the date such amount is paid, to the Administrative Agent for the account of the Issuing Bank at (i) in the case of the Borrower, a rate per annum equal to the interest rate applicable to Revolving Loans pursuant to Section 2.06(a), and (ii) in the case of such Lender, for the first such day, the Federal Funds Effective Rate, and for each day thereafter, the Alternate Base Rate.

SECTION 2.03. Borrowing Procedure. In order to request a Borrowing (other than a deemed Borrowing pursuant to Section 2.02(f) or a Swingline Loan, as to which this Section shall not apply), the Borrower shall hand deliver or fax to the Administrative Agent a duly completed Borrowing Request (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before a proposed Borrowing; and (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, one Business Day before a proposed Borrowing. Each Borrowing Request shall be irrevocable, shall be signed by or on behalf of the Borrower and shall specify the following information: (i) whether the Borrowing then being requested is to be a Term Borrowing or a Revolving Credit Borrowing, and whether such Borrowing is to be a Eurodollar Borrowing or an ABR Borrowing; (ii) the date of such Borrowing (which shall be a Business Day), (iii) the number and location of the account to which funds are to be disbursed (which shall be an account that complies with the requirements of Section 2.02(c)); (iv) the amount of such Borrowing and (v) if such Borrowing is to be a Eurodollar Borrowing, the Interest Period with respect thereto; provided, however, that, notwithstanding any contrary specification in any Borrowing Request, each requested Borrowing shall comply with the requirements set forth in Section 2.02. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent

shall promptly advise the applicable Lenders of any notice given pursuant to this Section, and of each Lender's portion of the requested Borrowing.

SECTION 2.04. Evidence of Debt, Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Revolving Credit Maturity Date, (ii) to the Administrative Agent for the account of each Lender the principal amount of each Term Loan of such Lender as provided in Section 2.11 and (iii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Credit Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided, however, that on each date that a Revolving Credit Borrowing is made, the Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) 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 under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower or any Guarantor and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with their terms.

(e) Notwithstanding any other provision of this Agreement, in the event any Lender shall request and receive a promissory note payable to such Lender and its registered assigns, the interests represented by such note shall at all times (including after any assignment of all or part of such interests pursuant to Section 10.04) be represented by one or more promissory notes payable to the payee named therein or its registered assigns.

SECTION 2.05. Fees. (a) The Borrower agrees to pay to each Lender, through the Administrative Agent, on March 31, June 30, September 30 and December 31 in each year and on any date on which the Revolving Credit Commitment of such Lender shall expire or be terminated as provided herein, a commitment fee (a "Commitment Fee") equal to .50% per annum on the average daily unused amount of the Revolving Credit Commitment of such Lender (excluding any portion thereof attributable to unreimbursed L/C Disbursements) during the preceding quarter (or other period ending with the Revolving Credit Maturity Date or the date on which the Revolving Credit Commitment of such Lender shall expire or be terminated). For purposes of computing Commitment Fees, a Revolving Credit Commitment of a Lender shall be deemed to be used to the extent of the

outstanding Revolving Loans and L/C Exposure of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose). All Commitment Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Commitment Fee commenced accruing on the Original Closing Date and shall cease to accrue on the date on which the Revolving Credit Commitment of such Lender shall expire or be terminated as provided herein.

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, the administrative fees set forth in the Fee Letter at the times and in the amounts specified therein (the "Administrative Agent Fees").

(c) The Borrower agrees to pay to the Administrative Agent, for payment to the other Lenders (to the extent applicable), on the Third Restatement Closing Date, the participation fees separately agreed upon by the Borrower, the Administrative Agent and the Lenders (the "Lender Participation Fees").

(d) The Borrower agrees to pay (i) to each Revolving Credit Lender, through the Administrative Agent, on March 31, June 30, September 30 and December 31 of each year and on the date on which the Revolving Credit Commitment of such Lender shall expire or be terminated as provided herein, a fee (an "L/C Participation Fee") calculated on such Lender's Revolving Percentage of the average daily aggregate L/C Exposure (excluding the portion thereof attributable to unreimbursed L/C Disbursements) during the preceding quarter (or shorter period ending with the Revolving Credit Maturity Date or the date on which all Letters of Credit have been canceled or have expired and the Revolving Credit Commitments of all Lenders shall have been terminated) at a rate per annum equal to the Pricing Margin used to determine the interest rates applicable to Eurodollar Revolving Loans, and (ii) to the Issuing Bank, on March 31, June 30, September 30 and December 31 of each year and on the earlier of the Revolving Credit Maturity Date or the date on which all Letters of Credit have been canceled or have expired and the Revolving Credit Commitments of all Lenders shall have been terminated, a fronting fee of .25% per annum on the average daily aggregate L/C Exposure (excluding the portion thereof attributable to unreimbursed L/C Disbursements) during the preceding quarter (or shorter period ending with the Revolving Credit Maturity Date or the date on which all Letters of Credit have been canceled or have expired and the Revolving Credit Commitments of all Lenders shall have been terminated), as well as the standard issuance and drawing fees specified from time to time by the Issuing Bank (the "Issuing Bank Fees"). All L/C Participation Fees and Issuing Bank Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that the Issuing Bank Fees shall be paid directly to the Issuing Bank. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06. Interest on Loans. (a) Subject to the provisions of Sections 2.07 and 2.08, the Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when the Alternate Base Rate is determined by reference to the Prime Rate and over a year

of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate plus the Pricing Margin in effect from time to time.

(b) Subject to the provisions of Sections 2.07 and 2.08, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Pricing Margin in effect from time to time.

(c) Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period, and shall be payable on outstanding amounts from and including the date such amounts are borrowed to but excluding the day such amounts are repaid. Interest on each Loan shall be payable on the Interest Payment Dates applicable to such Loan except as otherwise provided in this Agreement. The applicable Alternate Base Rate or Adjusted LIBO Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.07. Default Interest. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, by acceleration or otherwise, or under any other Credit Document, the Borrower shall on demand from time to time pay interest, to the extent permitted by law, on such defaulted amount to but excluding the date of actual payment (after as well as before judgment) (a) in the case of overdue principal, at the rate otherwise applicable to such Loan pursuant to Section 2.06 plus 2.00% per annum; and (b) in all other cases, at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) equal to the rate that would be applicable to an ABR Revolving Loan plus 2.00%.

SECTION 2.08. Alternate Rate of Interest. In the event and on each occasion that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Administrative Agent shall have determined that dollar deposits in the principal amounts of the Loans comprising such Borrowing are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately reflect the cost to any Lender of making or maintaining its Eurodollar Loan during such Interest Period, or that reasonable means do not exist for ascertaining the Adjusted LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or fax notice of such determination to the Borrower and the Lenders. In the event of any such determination, until the Administrative Agent shall have advised the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Eurodollar Borrowing pursuant to Section 2.03 or 2.10 shall be deemed to be a request for an ABR Borrowing. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

SECTION 2.09. Termination and Reduction of Commitments. (a) The Term Commitments shall automatically terminate at 5:00 p.m., New York City time, on the Third Restatement Closing Date. The Revolving Credit Commitments and the L/C

Commitment shall automatically terminate at 5:00 p.m., New York City time, on the Revolving Credit Maturity Date.

(b) The Revolving Credit Commitments shall be automatically reduced as provided in Section 2.13.

(c) Upon at least three Business Days prior irrevocable written or fax notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Revolving Credit Commitments; provided, however, that (i) each partial reduction of Revolving Credit Commitments shall be in (1) an integral multiple of \$1,000,000 and in a minimum amount of \$3,000,000 or (2) in the full remaining amount of the Revolving Credit Commitments, as the case may be, and (ii) the Total Revolving Credit Commitment shall not be reduced to an amount that is less than the sum of the Aggregate Revolving Credit Exposure at the time.

(d) Each reduction in the Revolving Credit Commitments hereunder shall be made ratably among the Lenders in accordance with their respective Revolving Credit Commitments. The Borrower shall pay to the Administrative Agent for the account of the applicable Lenders, on the date of each termination or reduction, the Commitment Fees on the amount of the Revolving Credit Commitments so terminated or reduced accrued to but excluding the date of such termination or reduction.

SECTION 2.10. Conversion and Continuation of Borrowings. The Borrower shall have the right at any time by delivery of a Continuation/Conversion Request to the Administrative Agent (a) not later than 12:00 (noon), New York City time, one Business Day prior to conversion, to convert any Eurodollar Borrowing into an ABR Borrowing; (b) not later than 10:00 a.m., New York City time, three Business Days prior to conversion or continuation, to convert any ABR Borrowing into a Eurodollar Borrowing or to continue any Eurodollar Borrowing as a Eurodollar Borrowing for an additional Interest Period; and (c) not later than 10:00 a.m., New York City time, three Business Days prior to conversion, to convert the Interest Period with respect to any Eurodollar Borrowing to another permissible Interest Period, subject in each case to the following:

(i) each conversion or continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the converted or continued Borrowing,

(ii) if less than all the outstanding principal amount of any Borrowing shall be converted or continued, then each resulting Borrowing shall satisfy the limitations specified in Sections 2.02(a) and 2.02(b) regarding the principal amount and maximum number of Borrowings of the relevant Type,

(iii) each conversion shall be effected by each Lender and the Administrative Agent by recording for the account of such Lender the new Loan of such Lender resulting from such conversion and reducing the Loan (or portion thereof) of such Lender being converted by an equivalent principal amount, accrued interest on any Eurodollar Loan

(or portion thereof) being converted shall be paid by the Borrower at the time of conversion,

(iv) if any Eurodollar Borrowing is converted at a time other than the end of the Interest Period applicable thereto, the Borrower shall pay, upon demand, any amounts due to the Lenders pursuant to Section 2.16,

(v) any portion of a Borrowing maturing or required to be repaid in less than one month may not be converted into or continued as a Eurodollar Borrowing,

(vi) any portion of a Eurodollar Borrowing that cannot be converted into or continued as a Eurodollar Borrowing by reason of the immediately preceding clause shall be automatically converted at the end of the Interest Period in effect for such Borrowing into an ABR Borrowing,

(vii) no Interest Period may be selected for any Eurodollar Term Borrowing that would end later than a Term Loan Repayment Date occurring on or after the first day of such Interest Period if, after giving effect to such selection, the aggregate outstanding amount of (A) the Eurodollar Term Borrowings with Interest Periods ending on or prior to such Term Loan Repayment Date and (B) the ABR Term Borrowings would not be at least equal to the principal amount of Term Borrowings to be paid on such Term Loan Repayment Date,

(viii) no Interest Period applicable to a Revolving Loan may end later than the Revolving Credit Maturity Date, and no Interest Period applicable to a Term Loan may end later than the Term Loan Maturity Date, and

(ix) upon notice to the Borrower from the Administrative Agent given at the request of the Required Lenders, after the occurrence and during the continuance of a Default or Event of Default, no outstanding Loan may be converted into, or continued as, a Eurodollar Loan.

Each notice pursuant to this Section shall be irrevocable and shall refer to this Agreement and specify (i) the identity and amount of the Borrowing that the Borrower requests be converted or continued, (ii) whether such Borrowing is to be converted to or continued as a Eurodollar Borrowing or an ABR Borrowing, (iii) if such notice requests a conversion, the date of such conversion (which shall be a Business Day) and (iv) if such Borrowing is to be converted to or continued as a Eurodollar Borrowing, the Interest Period with respect thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a Eurodollar Borrowing, the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall advise the Lenders of any notice given pursuant to this Section and of each Lender's portion of any converted or continued Borrowing. If the Borrower shall not have given notice in accordance with this Section to continue any Borrowing into a subsequent Interest Period (and shall not otherwise have given notice in accordance with this Section to convert such Borrowing), such Borrowing shall, at the end of the Interest Period applicable thereto (unless repaid pursuant to the terms hereof), automatically

be continued into a new Interest Period as an ABR Borrowing. This Section shall not apply to Swingline Loans, which may not be converted or continued.

SECTION 2.11. Repayment of Borrowings. (a) The Borrower shall pay to the Administrative Agent, for the account of the Lenders, on each of the dates set forth below, or if any such date is not a Business Day, on the next succeeding Business Day (each such date being a "Term Loan Repayment Date"), a principal amount of the Term Loans (as adjusted from time to time pursuant to paragraph (b) below and Section 2.12(b)) equal to the amount set forth below opposite such date, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment:

Repayment Date -----	Amount -----
September 30, 2003	\$1,562,500.00
December 31, 2003	\$1,562,500.00
March 31, 2004	\$1,562,500.00
June 30, 2004	\$1,562,500.00
September 30, 2004	\$1,562,500.00
December 31, 2004	\$1,562,500.00
March 31, 2005	\$1,562,500.00
June 30, 2005	\$1,562,500.00
September 30, 2005	\$1,562,500.00
December 31, 2005	\$1,562,500.00
March 31, 2006	\$1,562,500.00
June 30, 2006	\$1,562,500.00
September 30, 2006	\$1,562,500.00
December 31, 2006	\$1,562,500.00
March 31, 2007	\$1,562,500.00
June 30, 2007	\$1,562,500.00
September 30, 2007	\$1,562,500.00
December 31, 2007	\$1,562,500.00
March 31, 2008	\$1,562,500.00
June 30, 2008	\$1,562,500.00
September 30, 2008	\$23,437,500.00
December 31, 2008	\$23,437,500.00
March 31, 2009	\$23,437,500.00
June 5, 2009	\$23,437,500.00

(b) If any Term Commitments shall be reduced or shall expire or terminate other than as a result of the making of a Term Loan, the installments payable on each Term Loan Repayment Date will be reduced pro rata by an aggregate amount equal to the amount of such reduction, expiration or termination.

(c) To the extent not previously paid, all Term Loans shall be due and payable on the Term Loan Maturity Date, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

(d) To the extent not previously paid, all Revolving Loans shall be due and payable on the Revolving Credit Maturity Date.

(e) All repayments pursuant to this Section shall be subject to Section 2.16, but shall otherwise be without premium or penalty.

SECTION 2.12. Optional Prepayment. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, upon at least (i) in the case of Eurodollar Borrowings, three Business Days' or (ii) in the case of ABR Borrowings (other than Swingline Loans) one Business Day's prior written or fax notice (or telephone notice promptly confirmed by written or fax notice) to the Administrative Agent (and in the case of Swingline Loans, the Swingline Lender) before 11:00 a.m., New York City time (or, in the case of any prepayment of a Swingline Loan, not later than 12:00 noon, New York City time, on the date of prepayment); provided, however, that each partial prepayment shall be in an amount that would be permitted in the case of the advance of a Borrowing of the same type as provided in Section 2.02.

(b) Each optional prepayment of Term Loans under this Agreement shall be applied pro rata against the remaining scheduled installments of principal due in respect of the Term Loans.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein on the date stated therein. All prepayments under this Section shall be subject to Section 2.16 but otherwise without premium or penalty. All prepayments under this Section shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment.

SECTION 2.13. Mandatory Prepayments. (a) In the event of any termination of all the Revolving Credit Commitments, the Borrower shall repay or prepay all its outstanding Revolving Credit Borrowings on the date of such termination.

(b) In the event of any partial reduction of the Revolving Credit Commitments, then (i) at or prior to the effective date of such reduction, the Administrative Agent shall notify the Borrower and the Revolving Credit Lenders of the Aggregate Revolving Credit Exposure after giving effect thereto and (ii) if the Aggregate Revolving Credit Exposure at the time would exceed the Total Revolving Credit Commitment after giving effect to such reduction or termination, then the Borrower shall, on the date of such reduction or

termination, repay or prepay Revolving Credit Borrowings or Swingline Loans (and, after no Revolving Credit Borrowings or Swingline Loans shall remain outstanding, deposit cash with the Collateral Agent to secure Obligations in respect of outstanding Letters of Credit) in an amount sufficient to eliminate such excess.

(c) Not later than the second Business Day following the completion of any Asset Disposition, the Borrower shall apply 100% of the Net Cash Proceeds received with respect thereto to prepay outstanding Term Loans and, if the Term Loans shall have been paid in full, to prepay Revolving Loans or Swingline Loans and, after no Revolving Loans or Swingline Loans shall remain outstanding, to deposit cash with the Collateral Agent to secure Obligations in respect of outstanding Letters of Credit (and the Revolving Credit Commitments shall be simultaneously and permanently reduced by an amount equal to 100% of such Net Cash Proceeds less any amount thereof used to prepay Term Loans).

(d) Not later than ten Business Days following the receipt by the Borrower or any Subsidiary of Net Cash Proceeds from any Equity Issuance, the Borrower shall apply an amount equal to 50% of such Net Cash Proceeds to prepay outstanding Term Loans and, if the Term Loans shall have been paid in full, to prepay Revolving Loans or Swingline Loans and, after no Revolving Loans or Swingline Loans shall remain outstanding, to deposit cash with the Collateral Agent to secure Obligations in respect of outstanding Letters of Credit (and the Revolving Credit Commitments shall be simultaneously and permanently reduced by an amount equal to 50% of such Net Cash Proceeds less any amount thereof used to prepay Term Loans; provided, however, that proceeds (i) from Equity Issuances upon exercises of employee stock options and (ii) received as consideration for Permitted Acquisitions need not be applied to prepay outstanding Term Loans and/or reduce the Revolving Credit Commitment.

(e) Not later than the earlier of (i) the date 90 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2004, and (ii) the date on which the financial statements with respect to such fiscal year are delivered pursuant to Section 5.04(a), the Borrower shall prepay outstanding Term Loans and, if the Term Loans shall have been paid in full, Revolving Loans or Swingline Loans and, after no Revolving Credit Borrowings or Swingline Loans shall remain outstanding, shall deposit cash with the Collateral Agent to secure Obligations in respect of outstanding Letters of Credit, in an aggregate principal amount equal to 50% of Excess Cash Flow for such fiscal year, and the Revolving Credit Commitments shall be simultaneously and permanently reduced by such amount less any amount thereof used to prepay Term Loans.

(f) In the event that the Borrower or any Subsidiary shall receive Net Cash Proceeds from the incurrence or disposition of any Indebtedness (other than Indebtedness permitted under Section 6.01(a)), the Borrower shall, as promptly as practicable and in any event not later than the second Business Day following the receipt of such Net Cash Proceeds, apply 100% of such Net Cash Proceeds to prepay outstanding Term Loans and, if the Term Loans shall have been paid in full, to prepay Revolving Loans or Swingline Loans and, after no Revolving Credit Borrowings or Swingline Loans shall remain outstanding, to deposit cash with the Collateral Agent to secure Obligations in respect of outstanding Letters of Credit (and the Revolving Credit Commitments shall be simultaneously

and permanently reduced by an amount equal to 100% of such Net Cash Proceeds less any amount thereof used to prepay Term Loans).

(g) Each mandatory prepayment of Term Loans under this Agreement shall be applied pro rata against the remaining scheduled installments of principal due in respect of the Term Loans.

(h) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section, (i) a certificate signed by the Chief Financial Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) to the extent practicable, at least three Business Days' prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the Type of each Loan being prepaid and the principal amount of each Loan (or portion thereof) to be prepaid. All prepayments of Borrowings under this Section shall be subject to Section 2.16, but shall otherwise be without premium or penalty.

(i) Amounts to be applied pursuant to this Section 2.13 to the prepayment of Term Loans and Revolving Loans shall be applied first to reduce outstanding ABR Term Loans or ABR Revolving Loans, as the case may be, and then to prepay Eurodollar Term Loans or Eurodollar Revolving Loans, as the case may be. In the event the amount of any prepayment required to be made pursuant to this Section shall exceed the aggregate outstanding principal amount of the ABR Term Loans or ABR Revolving Loans, as the case may be (the amount of any such excess being called the "Excess Amount"), the Borrower shall have the right, in lieu of making such prepayment in full, to prepay all the outstanding ABR Loans of the applicable class and to deposit an amount equal to the Excess Amount with the Collateral Agent in a cash collateral account maintained (pursuant to documentation reasonably satisfactory to the Administrative Agent) by and in the sole dominion and control of the Collateral Agent. Any amounts so deposited shall be held by the Collateral Agent as collateral for the Obligations and applied to the prepayment of the applicable Eurodollar Loans at the end of the current Interest Periods applicable thereto. At the request of the Borrower, amounts so deposited shall be invested by the Collateral Agent in Permitted Investments maturing prior to the date or dates on which it is anticipated that such amounts will be applied to prepay Eurodollar Loans; any interest earned on such Permitted Investments will be for the account of the Borrower, and the Borrower will deposit with the Administrative Agent the amount of any loss on any such Permitted Investment to the extent necessary in order that the amount of the prepayment to be made with the deposited amounts may not be reduced.

(j) Any Lender having Term Commitments or holding Term Loans may elect, by notice to the Administrative Agent in writing (or by telephone or telecopy promptly confirmed in writing) at least two Business Days prior to any prepayment of Term Loans required to be made by the Borrower for the account of such Lender pursuant to this Section 2.13, to reject all or a portion of such prepayment.

SECTION 2.14. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision of this Agreement, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the

interpretation or administration thereof (whether or not having the force of law) shall change the basis of taxation of payments to any Lender or the Issuing Bank of the principal of or interest on any Eurodollar Loan made by such Lender or any Fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the overall net income of such Lender or the Issuing Bank by the jurisdiction in which such Lender or the Issuing Bank has its principal office or by any political subdivision or taxing authority therein), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender or the Issuing Bank (except any such reserve requirement which is reflected in the Adjusted LIBO Rate) or shall impose on such Lender or the Issuing Bank or the London interbank market (or other relevant interbank market) any other condition affecting this Agreement or any Eurodollar Loan made by such Lender or any Letter of Credit or participation therein, and the result of any of the foregoing shall be to increase the cost to such Lender or the Issuing Bank of making or maintaining any Eurodollar Loan or increase the cost to any Lender of issuing or maintaining any Letter of Credit or purchasing or maintaining a participation therein or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder or under the Notes (whether of principal, interest or otherwise) by an amount deemed by such Lender or the Issuing Bank to be material, then the Borrower will pay to such Lender or the Issuing Bank, as the case may be, upon demand such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank shall have determined that the adoption after the date hereof of any law, rule, regulation, agreement or guideline regarding capital adequacy, or any change after the date hereof in any such law, rule, regulation, agreement or guideline (whether such law, rule, regulation, agreement or guideline has been adopted) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or compliance by any Lender (or any lending office of such Lender) or the Issuing Bank or any Lender's or the Issuing Bank's holding company with any request or directive regarding capital adequacy (whether or not having the force of law) of any Governmental Authority has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made or participations in Letters of Credit purchased by such Lender pursuant hereto or the Letters of Credit issued by the Issuing Bank pursuant hereto to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy) by an amount deemed by such Lender or the Issuing Bank to be material, then from time to time the Borrower shall pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as applicable, as specified in clause (a) or (b), and showing the method of calculation in reasonable detail, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay

such Lender or the Issuing Bank the amount shown as due on any such certificate delivered by it within 10 days after its receipt of the same.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation. The protection of this Section shall be available to each Lender and the Issuing Bank regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, agreement, guideline or other change or condition that shall have occurred or been imposed.

SECTION 2.15. Change in Legality. (a) Notwithstanding any other provision of this Agreement, if, after the date hereof, any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that Eurodollar Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods and ABR Loans will not thereafter (for such duration) be converted into Eurodollar Loans), whereupon any request for a Eurodollar Borrowing (or to convert an ABR Borrowing to a Eurodollar Borrowing or to continue a Eurodollar Borrowing, as the case may be, for an additional Interest Period) shall, as to such Lender only, be deemed a request for an ABR Loan (or a request to continue an ABR Loan as such for an additional Interest Period or to convert a Eurodollar Loan into an ABR Loan, as the case may be), unless such declaration shall be subsequently withdrawn, and

(ii) such Lender may require that all outstanding Eurodollar Loans made by it be converted to ABR Loans in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in clause (b).

If any Lender shall exercise its rights under clause (i) or (ii), all payments and prepayments of principal that would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section, a notice to the Borrower by any Lender shall be effective as to each Eurodollar Loan made by such Lender, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

SECTION 2.16. Indemnity. The Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of (a) any event, other than a default by such Lender in the performance of its obligations hereunder, which results in (i) such Lender

receiving or being deemed to receive any amount on account of the principal of any Eurodollar Loan prior to the end of the Interest Period in effect therefor, (ii) the conversion of any Eurodollar Loan to a Loan of another Type, or the conversion of the Interest Period with respect to any Eurodollar Loan, in each case other than on the last day of the Interest Period in effect therefor, or (iii) any Eurodollar Loan to be made by such Lender (including any Eurodollar Loan to be made pursuant to a conversion or continuation under Section 2.10) not being made after notice of such Loan shall have been given by the Borrower hereunder (any of the events referred to in this clause (a) being called a "Breakage Event") or (b) any default in the making of any payment or prepayment required to be made hereunder. In the case of any Breakage Event, such loss shall include an amount equal to the excess, as reasonably determined by such Lender, of (i) its cost of obtaining funds for the Eurodollar Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such Loan over (ii) the amount of interest likely to be realized by such Lender in redeploying the funds released or not utilized by reason of such Breakage Event for such period. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

SECTION 2.17. Pro Rata Treatment. Each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, each payment of the Commitment Fees, each reduction of the Term Commitments or the Revolving Credit Commitments and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type shall be allocated pro rata among the Lenders in accordance with their respective applicable Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding applicable Loans). Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.18. Sharing of Setoffs. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any L/C Disbursement or Loan as a result of which the unpaid principal portion of its participations in L/C Disbursements and Swingline Loans, Term Loans and Revolving Loans shall be proportionately less than the unpaid principal portion of the participations in L/C Disbursements and Swingline Loans, Term Loans and Revolving Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the L/C Exposure, Swingline Exposure, Term Loans and Revolving Loans, as the case may be of such other Lender, so that the aggregate unpaid principal amount of the L/C Exposure, Swingline Exposure, Term Loans and Revolving Loans and participations in L/C Exposure, Swingline Loans, Term Loans and Revolving Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all L/C Exposure, Swingline Exposure, Term Loans and Revolving Loans then outstanding as the principal amount of its L/C Exposure, Swingline Exposure, Term Loans and Revolving Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all L/C Exposure, Swingline Exposure, Term Loans and Revolving Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that if

any such purchase or purchases or adjustments shall be made pursuant to this Section and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Lender holding a participation in any L/C Disbursement or Swingline Loan, Term Loan or Revolving Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower and to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.19. Payments. (a) The Borrower shall make each payment (including principal of or interest on any Borrowing or any L/C Disbursement or any Fees or other amounts) hereunder and under any other Credit Document not later than 12:00 (noon), local time at the place of payment, on the date when due in immediately available funds, without setoff, defense or counterclaim. Each such payment (other than (i) Issuing Bank Fees and other payments in respect of which it is expressly herein provided that such payments shall be made directly to the Issuing Bank, which shall in each case be paid directly to the Issuing Bank, and (ii) payments in respect of which it is herein expressly provided that such payments shall be made directly to the Swingline Lender, which shall be paid directly to the Swingline Lender) shall be made to the Administrative Agent at its offices at 399 Park Avenue, New York, New York. Each such payment shall be made in dollars.

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

SECTION 2.20. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided, however, that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) 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) the Administrative Agent, Lender or Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent,

such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Borrower (with a copy to the Administrative Agent) two copies of either United States Internal Revenue Service Form 1001 or Form 4224, or, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder of the Borrower (within the meaning of Section 871(h)(3)(B) of the Code) and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement or any other Credit Document. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or designates a new lending office. In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence, expiration or invalidity of any form previously delivered by such Non-U.S. Lender. Notwithstanding any other provision of this Section 2.20, a Non-U.S. Lender shall not be required to deliver any form pursuant to this Section 2.20(e) that such Non-U.S. Lender is not legally able to deliver.

SECTION 2.21. Assignment of Commitments Under Certain Circumstances; Duty to Mitigate. (a) If (i) any Lender or the Issuing Bank delivers a certificate requesting compensation pursuant to Section 2.14, (ii) any Lender or the Issuing Bank delivers a notice described in Section 2.15 or (iii) the Borrower is required to pay any additional amount to any Lender or the Issuing Bank or any Governmental Authority on account of any Lender or the Issuing Bank pursuant to Section 2.20, the Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender or the Issuing Bank and the Administrative Agent, require such Lender or the Issuing Bank to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights and obligations under

this Agreement to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, however, that (A) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (B) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Credit Commitment is being assigned, of the Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (C) the Borrower or such assignee shall have paid to the affected Lender or the Issuing Bank in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans and participations in L/C Disbursements and Swingline Loans of such Lender or L/C Disbursements of the Issuing Bank, respectively, plus all Fees and other amounts accrued for the account of such Lender or the Issuing Bank hereunder (including any amounts under Section 2.14 and Section 2.16), and (D) if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's or the Issuing Bank's claim for compensation under Section 2.14 or notice under Section 2.15 or the amounts paid pursuant to Section 2.20, as the case may be, cease to cause such Lender or the Issuing Bank to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.15, or cease to result in amounts being payable under Section 2.20, as the case may be (including as a result of any action taken by such Lender or the Issuing Bank pursuant to clause (b)), or if such Lender or the Issuing Bank shall waive its right to claim further compensation under Section 2.14 in respect of such circumstances or event or shall withdraw its notice under Section 2.16 or shall waive its right to further payments under Section 2.20 in respect of such circumstances or event, as the case may be, then such Lender or the Issuing Bank shall not thereafter be required to make any such transfer and assignment hereunder.

(b) If (i) any Lender or the Issuing Bank delivers a certificate requesting compensation under Section 2.14, (ii) any Lender or the Issuing Bank delivers a notice described in Section 2.15 or (iii) the Borrower is required to pay any additional amount to any Lender or the Issuing Bank or any Governmental Authority on account of any Lender or the Issuing Bank, pursuant to Section 2.20, then such Lender or the Issuing Bank shall use reasonable efforts (which shall not require such Lender or the Issuing Bank to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden deemed by it to be significant) (x) to file any certificate or document reasonably requested in writing by the Borrower or (y) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.14 or enable it to withdraw its notice pursuant to Section 2.15 or would reduce amounts payable pursuant to Section 2.20, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the Issuing Bank in connection with any such filing or assignment, delegation and transfer.

SECTION 2.22. Letters of Credit. (a) General. The Borrower may request the issuance of a Letter of Credit for its own account, by delivering an Issuance Request, at any time and from time to time, for general corporate purposes while the Revolving Credit Commitments remain in effect. This Section shall not be construed to impose an obligation upon the Issuing Bank to issue any Letter of Credit that is inconsistent with the terms and conditions of this Agreement.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. In order to request the issuance of a Letter of Credit (or to amend,

renew or extend an existing Letter of Credit), the Borrower shall hand deliver or fax to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) an Issuance Request requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with clause (c)), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare such Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if, and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that, after giving effect to such issuance, amendment, renewal or extension and to other Credit Events or repayments to be made at or before such time (i) the L/C Exposure shall not exceed \$25,000,000 on or prior to the third anniversary of the Third Restatement Closing Date or \$35,000,000 thereafter, and (ii) the sum of the Aggregate Revolving Credit Exposure shall not exceed the Total Revolving Credit Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at the close of business on the earlier of the date one year after the date of the issuance of such Letter of Credit and the date that is five Business Days prior to the Revolving Credit Maturity Date, unless such Letter of Credit expires by its terms on an earlier date; provided, however, that a Letter of Credit issued by the Issuing Bank in favor of an insurance company to secure the Borrower's workers' compensation programs will be extended automatically at the close of business on each one-year anniversary of the issuance or extension, as the case may be, of such Letter of Credit until such Letter of Credit expires five days prior to the Revolving Credit Maturity Date, unless the Issuing Bank gives 30 days' notice of nonrenewal in writing to the Borrower.

(d) Participations. By the issuance of a Letter of Credit and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Revolving Credit Lender, and each such Lender hereby acquires from the applicable Issuing Bank, a participation in such Letter of Credit equal to such Lender's Revolving Percentage of the aggregate amount available to be drawn under such Letter of Credit, effective upon the issuance of such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Revolving Percentage of each L/C Disbursement made by the Issuing Bank and not reimbursed by the Borrower (or, if applicable, another party pursuant to its obligations under any other Credit Document) forthwith on the date due as provided in Section 2.02(f), in the same currency in which such L/C Disbursement is denominated. Each Revolving Credit Lender agrees that its obligation to acquire participations pursuant to this clause in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, the Borrower shall pay to the Issuing Bank an amount equal to such L/C Disbursement not later than two hours after the Borrower shall have received notice from the Issuing Bank that payment of such

draft will be made, or, if the Borrower shall have received such notice later than 10:00 a.m., New York City time, on any Business Day, not later than 10:00 a.m., New York City time, on the immediately following Business Day.

(f) Obligations Absolute. The Borrower's obligations to reimburse L/C Disbursements as provided in clause (e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under any and all circumstances whatsoever, and irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit or any Credit Document, or any term or provision therein,

(ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Letter of Credit or any Credit Document,

(iii) the existence of any claim, setoff, defense or other right that the Borrower, any other party guaranteeing, or otherwise obligated with, the Borrower, any Subsidiary or other Affiliate thereof or any other person may at any time have against the beneficiary under any Letter of Credit, the Issuing Bank, the Administrative Agent or any Lender or any other person, whether in connection with this Agreement, any other Credit Document or any other related or unrelated agreement or transaction,

(iv) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect,

(v) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, and

(vi) any other act or omission to act or delay of any kind of the Issuing Bank, the Lenders, the Administrative Agent or any other person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Without limiting the generality of the foregoing, the absolute and unconditional obligation of the Borrower hereunder to reimburse L/C Disbursements will not be excused by the gross negligence or wilful misconduct of the Issuing Bank. However, the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's gross negligence or wilful misconduct in determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary and, in making any payment under any Letter of Credit (i) the Issuing Bank's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereunder equals the amount of such draft and whether or not

any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (ii) any noncompliance in any immaterial respect of the documents presented under such Letter of Credit with the terms thereof shall, in each case, be deemed not to constitute wilful misconduct or gross negligence of the Issuing Bank.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall as promptly as possible give telephonic notification, confirmed by fax, to the Administrative Agent and the Borrower of such demand for payment and whether the Issuing Bank has made or will make an L/C Disbursement thereunder; provided, however, that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Credit Lenders with respect to any such L/C Disbursement. The Administrative Agent shall promptly give each Revolving Credit Lender notice thereof.

(h) Interim Interest. If the Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, then, unless the Borrower shall reimburse such L/C Disbursement in full on such date, the unpaid amount thereof shall bear interest for the account of the Issuing Bank, for each day from and including the date of such L/C Disbursement, to but excluding the earlier of the date of payment by the Borrower or the date on which interest shall commence to accrue thereon as provided in Section 2.02(f), at the rate per annum that would apply to such amount if such amount were an ABR Loan.

(i) Resignation or Removal of the Issuing Bank. The Issuing Bank may resign at any time by giving 180 days prior written notice to the Administrative Agent, the Lenders and the Borrower, and may be removed at any time by the Borrower by notice to the Issuing Bank, the Administrative Agent and the Lenders, to be effective only upon the appointment of a successor Issuing Bank pursuant to the following sentence. Subject to the next succeeding clause, upon the acceptance of any appointment as the Issuing Bank hereunder by a Lender that shall agree to serve as successor Issuing Bank, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring Issuing Bank and the retiring Issuing Bank shall be discharged from its obligations to issue additional Letters of Credit hereunder. At the time such removal or resignation shall become effective, the Borrower shall pay all accrued and unpaid fees pursuant to Section 2.05(d)(ii). The acceptance of any appointment as the Issuing Bank hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of the previous Issuing Bank under this Agreement and the other Credit Documents and (ii) references herein and in the other Credit Documents to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the resignation or removal of the Issuing Bank hereunder, the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this

Agreement and the other Credit Documents with respect to Letters of Credit issued by it prior to such resignation or removal, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, the Borrower shall, on the Business Day it receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Credit Lenders holding participations in outstanding Letters of Credit representing greater than 50% of the aggregate undrawn amount of all outstanding Letters of Credit) thereof and of the amount to be deposited, deposit in an account with the Collateral Agent, for the benefit of the Revolving Credit Lenders, an amount in cash equal to the L/C Exposure as of such date. Such deposits shall be held by the Collateral Agent as collateral for the payment and performance of the Obligations. The Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Such deposits shall be invested in Permitted Investments, to be selected by the Issuing Bank in its sole discretion, and interest earned on such deposits shall be deposited in such account as additional collateral for the payment and performance of the Obligations. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall (i) automatically be applied by the Administrative Agent to reimburse the Issuing Bank for L/C Disbursements for which it has not been reimbursed, (ii) be held for the satisfaction of the reimbursement obligations of the Borrower for the L/C Exposure at such time, and (iii) if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Credit Lenders holding participations in outstanding Letters of Credit representing greater than 50% of the aggregate undrawn amount of all outstanding Letters of Credit), be applied to satisfy the Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

SECTION 2.23. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender may, in its sole discretion, make Swingline Loans to the Borrower at any time and from time to time on or after the Original Closing Date, and until the earlier of the Revolving Credit Maturity Date and the termination of the Revolving Credit Commitments in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$10,000,000 or (ii) the sum of the total Revolving Credit Exposures exceeding the total Revolving Credit Commitments. The Swingline Lender shall have no duty to make or continue to make Swingline Loans. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by fax), not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general

deposit account of the Borrower with the Swingline Lender by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 12:00 noon, New York City time, on any Business Day require the Revolving Credit Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Credit Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Credit Lender, specifying in such notice such Lender's Revolving Percentage of such Swingline Loan or Swingline Loans. Each Revolving Credit Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Revolving Percentage of such Swingline Loan or Swingline Loans. Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Credit Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.02 with respect to Loans made by such Lender (and Section 2.02 shall apply, mutatis mutandis, to the payment obligations of the Revolving Credit Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Credit Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Credit Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(d) The Swingline Lender may resign at any time by giving 180 days prior written notice to the Administrative Agent, the Lenders and the Borrower, and may be removed at any time by the Borrower by notice to the Swingline Lender, the Administrative Agent and the Lenders, in each case to be effective only upon the appointment of a successor Swingline Lender pursuant to the following sentence. Upon the acceptance of any appointment as the Swingline Lender hereunder by a Lender that shall agree to serve as successor Swingline Lender, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring Swingline Lender. At the time such removal or resignation shall become effective, the Borrower shall pay all outstanding Swingline Loans together with all interest accrued thereon. The acceptance of any appointment as the Swingline Lender hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of the previous Swingline Lender under this

Agreement and the other Credit Documents and (ii) references herein and in the other Credit Documents to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the resignation or removal of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents, the Issuing Bank and each of the Lenders as follows (with each reference to a Subsidiary being deemed to include all persons that will be Subsidiaries after giving effect to the Third Restatement Closing Date Transactions, other than any such persons that have ceased to be Subsidiaries):

SECTION 3.01. Organization; Powers. The Borrower and each of the Subsidiaries (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted; (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect; and (d) has the corporate power and authority to execute, deliver and perform its obligations under each of the Credit Documents and each other agreement or instrument contemplated hereby to which it is or will be a party and, in the case of the Borrower, to borrow hereunder.

SECTION 3.02. Authorization. The Transactions (a) have been duly authorized by all requisite corporate and, if required, stockholder action on the part of the Borrower and the Subsidiaries and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of the Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary (other than any Lien created hereunder or under the Collateral Documents).

SECTION 3.03. Enforceability. This Agreement and each other Credit Document has been duly executed and delivered by the Obligors party thereto, and this Agreement constitutes, and each other Credit Document when executed and delivered by the Obligors will constitute, a legal, valid and binding obligation of the Obligors party thereto enforceable against such Obligors in accordance with its terms.

SECTION 3.04. Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Transactions, except for (a) the filing of Uniform Commercial Code financing statements and Mortgages and filings with the United States Patent and Trademark Office and the United States Copyright Office and (b) such as have been made or obtained and are in full force and effect.

SECTION 3.05. Financial Statements. (a) The Borrower has heretofore furnished to the Administrative Agent audited consolidated and consolidating balance sheets and related statements of income, stockholders equity and cash flows of the Borrower for the fiscal year most recently ended before the Third Restatement Closing Date, certified by the Borrower's Chief Financial Officer. Such financial statements present fairly in all material respects the financial condition and results of operations and cash flows of the Borrower, and its consolidated subsidiaries as of such dates and for such periods. The Borrower has also furnished to the Administrative Agent (i) audited combined balance sheets and related statements of income and comprehensive income and stockholders' equity of Med-Staff for the 2000, 2001 and 2002 fiscal years and (ii) to the extent available, unaudited consolidated and consolidating balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and unaudited combined balance sheets and related statements of income and comprehensive income, stockholders' equity and cash flows of Med-Staff for each completed fiscal quarter since the date of the last such audited financial statements of the Borrower and Med-Staff (and, to the extent available, for each completed month since the last such quarter). Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Borrower, and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

(b) The Borrower has heretofore delivered to the Administrative Agent its projected pro forma consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower, prepared giving effect to the Third Restatement Closing Date Transactions, (i) for each fiscal quarter in the two years following the Third Restatement Closing Date and (ii) for each fiscal year in the six year period following the Third Restatement Closing Date. Such pro forma balance sheet has been prepared in good faith by the Borrower, based on the assumptions used to prepare the pro forma financial information contained in the Supplemental Information Memorandum (which assumptions are believed by the Borrower on the date hereof to be reasonable), is based on the best information available to the Borrower, accurately reflects all adjustments required to be made to give effect to the Third Restatement Closing Date Transactions and presents fairly in all material respects on a pro forma basis the pro forma consolidated financial position of the Borrower and the consolidated Subsidiaries as of such date, assuming that the Third Restatement Closing Date Transactions had actually occurred at such dates.

SECTION 3.06. No Material Adverse Change. There has been no material adverse change in the business, assets, operations, prospects, condition, financial or otherwise, or material agreements of the Borrower and the Subsidiaries, taken as a whole, or of Med-Staff since December 31, 2002.

SECTION 3.07. Title to Properties; Possession Under Leases. (a) Each of the Borrower and the Subsidiaries has good and marketable title to, or valid leasehold interests in, all its material properties and assets, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes. All such material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of the Borrower and the Subsidiaries has complied with all obligations under all material leases to which it is a party and all such leases are in full force and effect. Each of the Borrower and the Subsidiaries enjoys peaceful and undisturbed possession under all such material leases, except where failure to have such possession will not have a Material Adverse Effect.

SECTION 3.08. Subsidiaries. Schedule 3.08 sets forth as of the Third Restatement Closing Date (and after giving effect to the Med-Staff Acquisition) a list of all Subsidiaries and the percentage ownership interest of the Borrower therein. The shares of capital stock or other ownership interests so indicated on Schedule 3.08 are fully paid and nonassessable and are owned by the Borrower, directly or indirectly, free and clear of all Liens.

SECTION 3.09. Litigation; Compliance with Laws. (a) Except as set forth on Schedule 3.09, there are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary or any business, property or rights of any such person (i) that involve any Credit Document or the Transactions, or purport to affect the ability of the parties to consummate any of the Transactions, or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) None of the Borrower or any of the Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any zoning, building, Environmental Law, ordinance, code, approval or permit), or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. Agreements. (a) None of the Borrower or any of the Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(b) None of the Borrower or any of the Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Margin Stock. None of the Borrower or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

SECTION 3.12. Investment Company Act; Public Utility Holding Company Act. None of the Borrower or any Subsidiary is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.13. Tax Returns. Each of the Borrower and the Subsidiaries has filed or caused to be filed all Federal, state, local and foreign tax returns or materials required to have been filed by it and has paid or caused to be paid all taxes due and payable by it and all assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, shall have set aside on its books adequate reserves in accordance with GAAP.

SECTION 3.14. No Material Misstatements. None of (a) the Supplemental Information Memorandum or (b) any other information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of any Credit Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading; provided, however, that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, the Borrower represents only that it acted in good faith and utilized assumptions that were reasonable at the time such information, report, financial statement, exhibit or schedule was prepared and due care in the preparation of such information, report, financial statement, exhibit or schedule.

SECTION 3.15. Employee Benefit Plans. Each Plan of the Borrower and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in material liability of the Borrower or any of its ERISA Affiliates. The present value of all benefit liabilities under each Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by more than \$1,000,000 the fair market value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on those assumptions used to fund each such Plan) did not, as of the last annual valuation dates applicable thereto, exceed by more than \$1,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.16. Environmental Matters. Except as set forth in Schedule 3.16:

(a) The real properties owned or operated by the Borrower and the Subsidiaries (the "Environmental Properties") do not contain any Hazardous Materials in amounts or concentrations which (i) constitute, or constituted a violation of, (ii) require Remedial Action under, or (iii) could give rise to liability under, Environmental Laws, which violations, Remedial Actions and

liabilities, in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(b) The Environmental Properties and all operations of the Borrower and the Subsidiaries are in compliance, and in the last three years have been in compliance, with all Environmental Laws and all necessary Environmental Permits have been obtained and are in effect, except to the extent that such non-compliance or failure to obtain any necessary permits, in the aggregate, could not result in a Material Adverse Effect;

(c) There have been no Releases or threatened Releases at, from, under or proximate to the Environmental Properties or otherwise in connection with the operations of the Borrower or the Subsidiaries, which Releases or threatened Releases, in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(d) None of the Borrower or any of the Subsidiaries has received any notice of an Environmental Claim in connection with the Environmental Properties or the operations of the Borrower or the Subsidiaries or with regard to any person whose liabilities for environmental matters the Borrower or the Subsidiaries has retained or assumed, in whole or in part, contractually, by operation of law or otherwise, which, in the aggregate, could reasonably be expected to result in a Material Adverse Effect, nor does the Borrower or the Subsidiaries have reason to believe that any such notice will be received or is being threatened; and

(e) Hazardous Materials have not been transported from the Environmental Properties, nor have Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Environmental Properties in a manner that could give rise to liability under any Environmental Law, nor have the Borrower or the Subsidiaries retained or assumed any liability, contractually, by operation of law or otherwise, with respect to the generation, treatment, storage or disposal of Hazardous Materials, which transportation, generation, treatment, storage or disposal, or retained or assumed liabilities, in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.17. Insurance. Schedule 3.17 sets forth a true, complete and correct description of all insurance maintained by the Borrower or by the Borrower for its Subsidiaries as of the date hereof and the Third Restatement Closing Date. As of each such date, such insurance is in full force and effect and all premiums have been duly paid. The Borrower and its Subsidiaries have insurance in such amounts and covering such risks and liabilities as are in accordance with normal industry practice.

SECTION 3.18. Location of Real Property. Schedule 3.18 lists completely and correctly as of the Third Restatement Closing Date all real property owned by the Borrower and the Subsidiaries and the addresses thereof. The Borrower and the Subsidiaries own in fee all the real property set forth on Schedule 3.18.

SECTION 3.19. Labor Matters. As of the date hereof and the Third Restatement Closing Date, there are no strikes, lockouts or slowdowns against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower, threatened. The hours worked by and payments made to employees of the Borrower

and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from the Borrower or any Subsidiary, or for which any claim may be made against the Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower or any Subsidiary is bound.

SECTION 3.20. Solvency. Immediately after the consummation of the Third Restatement Closing Date Transactions, (i) the fair value of the assets of the Borrower, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Borrower will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Borrower will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Borrower will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Third Restatement Closing Date.

SECTION 3.21. Reportable Transactions. The Borrower does not intend to treat any of the Loans, Letters of Credit or any related transaction as a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4). In the event the Borrower determines that it will take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof. Upon such notification, any Lender may treat its Loans (and its participation interests in Letters of Credit or Swingline Loans) as subject to Treasury Regulation Section 301.6112-1, and, in such case, such Lender will maintain any lists and other records required thereby.

ARTICLE IV

Conditions Precedent

SECTION 4.01. All Credit Events. The obligations of the Lenders to make Loans (other than a Borrowing pursuant to Section 2.02(f)) and of the Issuing Bank to issue Letters of Credit hereunder are subject to the satisfaction of the conditions that on the date of each issuance of a Letter of Credit and each Borrowing of a Loan (other than a Borrowing pursuant to Section 2.02(f)) (each such event being called a "Credit Event"):

(a) Request. The Borrower shall have delivered a Borrowing Request to the Administrative Agent, a notice to the Swingline Lender in accordance with Section 2.23(b) or an Issuance Request to the Administrative Agent and the Issuing Bank, as the case may be.

(b) Representations and Warranties. The representations and warranties set forth in Article III hereof (other than those in Section 3.06) shall be true and correct in all material respects on and as of the date of such Credit Event (in the case of any Credit Event on the Third Restatement Closing Date, both before and after giving effect to the Third Restatement Closing Date Transactions), with the same effect as though made on and as of such date,

except to the extent such representations and warranties expressly relate to an earlier date.

(c) No Default. The Borrower shall be in compliance with all the terms and provisions set forth herein and in each other Credit Document on its part to be observed or performed, and at the time of and immediately after such Credit Event, no Event of Default or Default shall have occurred and be continuing.

(d) No Material Adverse Change. There shall not have occurred and be continuing any material adverse change in the business, assets, operations, prospects, condition, financial or otherwise, or material agreements of the Borrower and the Subsidiaries, taken as a whole, or of Med-Staff (in the case of any Credit Event on the Third Restatement Closing Date, both before and after giving effect to the Third Restatement Closing Date Transactions) since December 31, 2002.

Each Credit Event shall be deemed to constitute a representation and warranty by the Borrower on the date of such Credit Event as to the matters specified in clauses (b), (c) and (d) of this Section.

SECTION 4.02. Third Restatement Closing Date. The effectiveness of this Agreement and the obligations of the Lenders hereunder are subject to the satisfaction of the following conditions:

(a) Agreement. The Administrative Agent shall have received from each party hereto a counterpart of this Agreement signed on behalf of such party.

(b) Notes. Each Lender that shall have requested a Note or Notes as provided in Section 2.04 shall have received such Note or Notes, duly executed by the Borrower.

(c) Organizational Documents. The Administrative Agent shall have received (i) a copy of the certificate or articles of incorporation, including all amendments thereto, of each Obligor, certified as of a recent date by the Secretary of State or comparable official of the state or other jurisdiction of its organization, and a certificate as to the good standing of each Obligor as of a recent date from such Secretary of State or other official, (ii) a certificate of the Secretary or Assistant Secretary of each Obligor dated the Third Restatement Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of such Obligor as in effect on the Third Restatement Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Obligor authorizing the execution, delivery and performance of the Credit Documents to which such person is a party and, in the case of the Borrower, the Borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation of such Obligor have not been amended since the date of the last amendment thereto shown on the certified copy thereof furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Credit Document or any other document delivered in connection herewith on behalf of such Obligor, (iii) a certificate of another officer as to

the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above, and (iv) such other documents as the Lenders, the Issuing Bank or the Administrative Agent may reasonably request.

(d) Officer's Certificate. The Administrative Agent shall have received a certificate, dated the Third Restatement Closing Date and signed by the Chief Financial Officer of the Borrower, confirming compliance with the conditions precedent set forth in clauses (b) and (c) of Section 4.01.

(e) Guarantee Requirement. The Guarantee Requirement shall be satisfied.

(f) Collateral Requirement. The Collateral Requirement shall be satisfied, except for the provisions of clause (d) of the definition of the term "Collateral Requirement".

(g) Perfection Certificate. The Collateral Agent shall have received a Perfection Certificate dated the Third Restatement Closing Date and duly executed by an Officer of the Borrower.

(h) Lien Searches. The Collateral Agent shall have received the results of a search of the Uniform Commercial Code (or equivalent) filings, made with respect to the Borrower and its Subsidiaries (including Med-Staff and its Subsidiaries) in such jurisdictions as the Administrative Agent shall have requested, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence satisfactory to the Collateral Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 6.02 or have been released.

(i) Taxes. The Lenders shall be reasonably satisfied in all respects (i) with the tax position and the contingent tax and other liabilities of the Borrower for prior operating periods, and with the plans of the Borrower with respect thereto, and (ii) with any tax sharing agreements among the Borrower and the Subsidiaries and/or any other person after giving effect to the Transactions and the other transactions contemplated hereby.

(j) Payments of Fees, Etc. The Administrative Agent shall have received all Fees and other amounts due and payable on or prior to the Third Restatement Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Credit Document.

(k) Opinions. The Administrative Agent shall have received, on behalf of itself and the Lenders, a favorable written opinion of Proskauer Rose LLP, counsel for the Borrower, substantially to the effect set forth in Exhibit K, (i) dated the Third Restatement Closing Date, (ii) addressed to the Administrative Agent and the Lenders, and (iii) covering such other matters relating to the Credit Documents and the Transactions as the Administrative Agent shall reasonably request, and the Borrower hereby requests such counsel to deliver such opinion.

(l) Med-Staff Acquisition. The Med-Staff Acquisition shall have been, or shall substantially simultaneously with the Credit Event on the Third Restatement Closing Date be, consummated in accordance with the Asset Purchase Agreement and applicable law, without any amendment to or waiver of any material terms or conditions of the Asset Purchase Agreement not approved by the Lenders. The Lenders and the Issuing Bank shall have received executed copies of the Asset Purchase Agreement and all certificates, opinions and other documents delivered in connection therewith, all certified by the Chief Financial Officer of the Borrower as complete and correct.

(m) Third Restatement Closing Date Transactions. The terms on which the Third Restatement Closing Date Transactions shall have been completed and the capitalization (including Indebtedness) of the Borrower and the Subsidiaries after giving effect to the Third Restatement Closing Date Transactions shall be consistent in all material respects with the pro forma financial statements and projections provided to the Lenders prior to the Third Restatement Closing Date.

(n) Indebtedness. The Borrower and the Subsidiaries shall have outstanding no Indebtedness other than the Indebtedness hereunder and the other indebtedness set forth on Schedule 6.01.

(o) Ratings. The Obligations shall have been rated at least Ba3 by Moody's or at least BB- by S&P, and no such rating shall be on credit watch with negative implications or subject to review for possible downgrade.

(p) Legal Matters. All legal matters incidental to this Agreement, the Transactions and the Credit Documents shall be satisfactory to the Lenders, to the Issuing Bank and to Cravath, Swaine & Moore LLP, counsel for the Administrative Agent.

(q) All loans and other amounts outstanding or accrued for the accounts of the lenders under the Existing Credit Agreement (whether or not due at the time) shall have been paid in full.

ARTICLE V

Affirmative Covenants

The Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing:

SECTION 5.01. Existence; Businesses and Properties. (a) The Borrower will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.05.

(b) The Borrower will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated; comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except where failure to do so will not have a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

SECTION 5.02. Insurance. The Borrower will, and will cause each of the Subsidiaries to, keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including business interruption, fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations, including general liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, and professional liability insurance; and maintain such other insurance as may be required by law.

SECTION 5.03. Obligations and Taxes. The Borrower will, and will cause each of the Subsidiaries to, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation, tax, assessment or charge and enforcement of a Lien.

SECTION 5.04. Financial Statements, Reports, etc. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within the lesser of (i) 5 days of the date for delivery to the SEC after the end of each fiscal year or (ii) 95 days after the end of each fiscal year, its consolidated and consolidating balance sheets and related statements of income, stockholders' equity and cash flows showing the financial condition of the Borrower and the consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries during such year, all audited by Ernst & Young LLP or other independent public accountants of recognized national standing acceptable to the Required Lenders and accompanied by an opinion of such accountants (which shall not be qualified) to the effect that such consolidated

financial statements fairly present the financial condition and results of operations of the Borrower and the consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within the lesser of (i) 5 days of the date for delivery to the SEC after the end of each of the first three fiscal quarters of each fiscal year or (ii) 50 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated balance sheets and related statements of income (setting forth revenues by business line), stockholder's equity and cash flows showing the financial condition of the Borrower and the consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by the Borrower's Chief Financial Officer as fairly presenting the financial condition and results of operations of the Borrower and the consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments;

(c) within 50 days after the end of each of month, its consolidated balance sheet and related statement of income (setting forth revenues by business line) showing the financial condition of the Borrower and the consolidated Subsidiaries as of the close of such month (together with the consolidated balance sheets of the Borrower and the consolidated Subsidiaries (i) as of the close of such month projected in the budget previously delivered to the Administrative Agent pursuant to clause (f) below and (ii) as of the close of the same month in the prior fiscal year) and the results of operations of the Borrower and the consolidated Subsidiaries during such month and the then elapsed portion of the fiscal year (together with the statements of income showing the results of operations of the Borrower and the consolidated Subsidiaries (i) for such month and the then elapsed portion of the fiscal year as projected in the budget previously delivered to the Administrative Agent pursuant to clause (f) below and (ii) for such month in the prior fiscal year and the then elapsed portion of such prior fiscal year), all certified by its Chief Financial Officer as fairly presenting the financial condition and results of operations of the Borrower and the consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to the absence of footnotes and normal year-end audit adjustments;

(d) concurrently with any delivery of financial statements under clause (a), (b) or (c), a certificate of the accounting firm or the Chief Financial Officer opining on or certifying such statements (which certificate, when furnished by an accounting firm, may be limited to accounting matters and disclaim responsibility for legal interpretations) (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the covenants contained in Sections 6.11, 6.12 and 6.13;

(e) concurrently with any delivery of financial statements under clause (a) or (b), a Pricing Adjustment Certificate;

(f) not later than 45 days after the first day of the Borrower's fiscal year, copies of the Borrower's annual consolidated budget for such fiscal year all in form and substance reasonably satisfactory to the Administrative Agent;

(g) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed to its shareholders, as the case may be;

(h) promptly after any notification from the Borrower to the Administrative Agent of its intention to treat any of the Loans, Letters of Credit or any related transaction as a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4), a duly completed copy of IRS Form 8886 or any successor form thereto; and

(i) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of any Credit Document, as the Administrative Agent or any Lender may reasonably request.

Financial statements, opinions, certificates, reports and other information required to be delivered pursuant to this Section 5.04 shall be deemed to have been delivered to the Lenders if the Administrative Agent posts such financial statements, opinions, certificates, reports and other information on the Citi Global Loans Disclosure Website on the Internet maintained by the Administrative Agent at <https://direct2.sbi.com/> (or such other address as the Administrative Agent shall provide) and such financial statements, opinions, certificates, reports and other information shall be deemed to have been delivered on the date on which they are posted by the Administrative Agent on the Citi Global Loans Disclosure Website on the Internet at <https://direct2.sbi.com/> (or such other address as the Administrative Agent shall provide). The Administrative Agent shall use its best efforts to post material delivered to it by the Borrower for posting and shall promptly notify the Borrower if, for any reason, the Administrative Agent is unable to post such material within a reasonable time period.

SECTION 5.05. Litigation and Other Notices. The Borrower will, promptly after an Officer of the Borrower or any Subsidiary becomes aware thereof, furnish to the Administrative Agent, the Issuing Bank and each Lender prompt written notice of the following:

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

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect; and

(c) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

SECTION 5.06. Employee Benefits. The Borrower will, and will cause each of the Subsidiaries to (a) maintain each Plan (other than a Multiemployer Plan) in compliance in all material respects with the applicable provisions of ERISA and the Code and (b) furnish to the Administrative Agent as soon as possible after, and in any event within 10 days after any Officer of the Borrower or any ERISA Affiliate knows or has reason to know that, any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of the Borrower in an aggregate amount exceeding \$5,000,000 or requiring payments exceeding \$1,000,000 in any year, a statement of the Chief Financial Officer of the Borrower setting forth details as to such ERISA Event and the action, if any, that the Borrower proposes to take with respect thereto.

SECTION 5.07. Maintaining Records; Access to Properties and Inspections. The Borrower will, and will cause each of the Subsidiaries to, keep proper books of record and account, in a manner consistent with requirements of law and with sound business practice so as to permit the preparation of financial statements in conformity with GAAP, in which full, true and correct entries in conformity with GAAP and all requirements of law are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender to visit and inspect the financial records and the properties of the Borrower or any Subsidiary at reasonable times and as often as reasonably requested and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or any Lender to discuss the affairs, finances and condition of the Borrower or any Subsidiary with the officers thereof and independent accountants therefor.

SECTION 5.08. Use of Proceeds; Margin Stock. (a) The proceeds of the Loans and of the Letters of Credit will be used solely for the purposes set forth in the preamble to this Agreement.

(b) Notwithstanding the foregoing, no part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to buy or carry Margin Stock or to extend credit to others for the purpose of buying or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or X.

SECTION 5.09. Compliance with Environmental Laws. The Borrower will, and will cause each of the Subsidiaries to, comply, and cause all lessees and other persons occupying its Environmental Properties to comply, in all material respects with all Environmental Laws and Environmental Permits applicable to its operations and Environmental Properties; obtain and renew all material Environmental Permits necessary for its operations and Environmental Properties; and conduct any Remedial Action in accordance with Environmental Laws, except to the extent that the failure to do the same could not reasonably be expected to result in a Material Adverse Effect; provided, however, that none of the Borrower or any of the Subsidiaries shall be required to undertake any Remedial Action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

SECTION 5.10. Further Assurances. (a) The Borrower will, and will cause each of the Subsidiaries to, execute any and all further documents, financing statements, agreements and instruments, and take all further action (including filing Uniform Commercial Code and other financing statements, mortgages and deeds of trust) that may be required under applicable law, or that the Required Lenders, the Administrative Agent or the Collateral Agent may reasonably request, in order to cause the Guarantee Requirement and the Collateral Requirement to be satisfied at all times.

(b) The Borrower will, and will cause each of the Subsidiaries to, from time to time, at the request of the Administrative Agent or the Required Lenders, take all such actions as the Collateral Agent shall specify to create and perfect Liens on any properties or assets of the Borrower or the Domestic Subsidiaries that have substantial value and are not subject to the Liens created by the Collateral Documents to secure the Obligations.

ARTICLE VI

Negative Covenants

The Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Credit Document have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing:

SECTION 6.01. Indebtedness. (a) The Borrower will not, and will not cause or permit any Subsidiary to, incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness for borrowed money existing on the Third Restatement Closing Date and set forth in Schedule 6.01,

(ii) Indebtedness created hereunder and under the other Credit Documents,

(iii) Indebtedness of the Borrower to any wholly owned Subsidiary and of any wholly owned Subsidiary to the Borrower or any other wholly owned Subsidiary; provided, however, that (A) in the case of any such Indebtedness in an amount greater than \$1,000,000 owed to the Borrower or any Domestic Subsidiary, such Indebtedness is evidenced by a promissory note that has been pledged as security for the Obligations under the Pledge Agreement, (B) in the case of any such Indebtedness in an amount greater than \$1,000,000 owed by the Borrower or a Domestic Subsidiary to any Foreign Subsidiary, such Indebtedness is subordinated to the Obligations on terms satisfactory to the Administrative Agent and (C) in the case of all such Indebtedness, the loans and advances giving rise thereto are permitted under Section 6.04,

(iv) Indebtedness of the Borrower or any Subsidiary consisting of (A) Capital Lease Obligations and (B) purchase money obligations in respect of real property or equipment, in either case incurred in the ordinary course of business after the Original Closing Date, and extensions, renewals and replacements of such Capital Lease Obligations or purchase money obligations; provided, however, that the aggregate principal amount of the Capital Lease Obligations, purchase money obligations and extensions, renewals and replacements thereof incurred pursuant to this clause (iv) and outstanding at any time shall not exceed \$15,000,000,

(v) Indebtedness of the Borrower created under Hedging Obligations entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any Subsidiary is exposed in the conduct of its business or the management of its liabilities and not for speculative purposes,

(vi) Indebtedness of any Subsidiary that existed at the time such person became a Subsidiary and that was not incurred in contemplation of the acquisition by the Borrower or another Subsidiary of such Subsidiary; provided, however, that the aggregate principal amount of Indebtedness permitted by this clause (vi) shall not exceed \$10,000,000 at any time outstanding,

(vii) obligations with respect to surety bonds obtained by the Borrower or any of the Subsidiaries in the ordinary course of business to secure their obligations with respect to applicable workmen's compensation laws; provided, however, that the aggregate principal amount of such obligations shall not exceed \$4,500,000 at any time outstanding,

(viii) Indebtedness of the Borrower or any of the Subsidiaries incurred to finance insurance premiums; provided, however, that the aggregate principal amount of Indebtedness permitted by this clause (viii) shall not exceed \$3,000,000 at any time outstanding,

(ix) unsecured Indebtedness of the Borrower or any of the Subsidiaries to the seller of any business incurred in connection with a Permitted Acquisition of such business; provided, however, that (A) such Indebtedness is subordinated to the Obligations on terms acceptable to the Administrative Agent, (B) the terms of such Indebtedness shall not provide for any maturity, amortization, sinking fund payment, mandatory redemption, other required repayment or repurchase of, or cash interest or other similar payment with respect to, such Indebtedness, in each case prior to the Term Loan Maturity Date (except that deferred payments related to Permitted Acquisitions shall not be subject to this clause (B)), (C) the covenants and events of default relating to such Indebtedness shall be on market terms for Indebtedness of such type, satisfactory to the Administrative Agent, and shall be no more restrictive than the covenants and events of default of such type in this Agreement, and (D) the aggregate principal amount of Indebtedness permitted by this clause (ix) shall not exceed \$15,000,000 at any time outstanding, and

(x) other unsecured Indebtedness of the Borrower and the Subsidiaries in an aggregate principal amount not exceeding \$15,000,000;

provided, however, that the aggregate principal amount of Indebtedness permitted by the foregoing clauses (i) and (iv)-(x), excluding deferred payments related to Permitted Acquisitions, shall not exceed \$25,000,000 at any time outstanding.

(b) The Borrower will not, and will not cause or permit any Subsidiary to, issue any Equity Interests other than (i) common stock of the Borrower, (ii) Preferred Stock of the Borrower (A) that is not Disqualified Stock and (B) the terms of which do not provide for the declaration or payment of any dividend or distribution (other than in additional shares of such Preferred Stock or in common stock) on or prior to the Term Loan Maturity Date and (iii) common stock of Subsidiaries issued to the Borrower or other Subsidiaries.

SECTION 6.02. Liens. The Borrower will not, and will not cause or permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests, Rights or other securities of any person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect thereof, or assign or transfer any such income or revenues or rights in respect thereof, except:

(a) Liens on property or assets existing on the Third Restatement Closing Date and set forth in Schedule 6.02; provided, however, that such Liens shall extend only to those assets to which they extend on the Third Restatement Closing Date and shall secure only those obligations which they secure on the Third Restatement Closing Date;

(b) Liens created under the Credit Documents;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary, which properties and assets are acquired after the Original Closing Date; provided, however, that (i) such Lien is not created in contemplation of or in connection with such acquisition, (ii) such Lien does not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Lien does not (A) materially interfere with the use, occupancy and operation of any asset or property subject thereto, (B) materially reduce the fair market value of such asset or property but for such Lien or (C) result in any material increase in the cost of operating, occupying or owning or leasing such asset or property;

(d) Liens for taxes not yet due or which are being contested in compliance with Section 5.03;

(e) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not due and payable or that are being contested in compliance with Section 5.03;

(f) pledges and deposits made in the ordinary course of business to comply with workmen's compensation, unemployment insurance and other social security laws or regulations;

(g) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any Subsidiary;

(h) judgment liens securing judgments that have not resulted in an Event of Default under paragraph (i) of Article VII;

(i) purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Borrower or any of the Subsidiaries; provided, however, that (i) such security interests secure Indebtedness permitted by Section 6.01(a)(iv), (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 90 days after such acquisition (or construction), (iii) the Indebtedness secured thereby does not exceed the lesser of the cost or the Fair Market Value of such real property, improvements or equipment at the time of such acquisition (or construction), and (iv) such security interests do not apply to any other property or assets of the Borrower or any of the Subsidiaries;

(j) the interests of lessors with respect to Capital Lease Obligations permitted under Section 6.01(a)(iv);

(k) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; and

(l) other Liens on property or assets of the Borrower and the Subsidiaries securing obligations in an aggregate amount at any time not to exceed \$2,000,000.

SECTION 6.03. Sale and Lease-Back Transactions. The Borrower will not, and will not cause or permit any Subsidiary to, enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

SECTION 6.04. Investments, Loans and Advances. The Borrower will not, and will not cause or permit any Subsidiary to, make or permit to exist any Investment in any other person, except:

- (a) Investments by the Borrower or any Subsidiary existing on the Third Restatement Closing Date and set forth on Schedule 6.04;
- (b) Investments in any Subsidiary by the Borrower or any other Subsidiary existing on the Third Restatement Closing Date;

- (c) (i) additional Investments in wholly owned Domestic Subsidiaries; provided, however, that management or pre-acquisition holders of Equity Interests of any such Domestic Subsidiary acquired pursuant to a Permitted Acquisition may own up to 10% in the aggregate of the Equity Interests of such Subsidiary so long as no more than two Subsidiaries are less than wholly owned at any one time, and (ii) additional Investments in wholly owned Foreign Subsidiaries in an aggregate amount not greater than \$2,000,000 during any fiscal year of the Borrower, in each case to the extent any resulting Indebtedness is permitted under Section 6.01(a)(iii);
- (d) Investments in the form of loans and advances to employees in an aggregate amount outstanding at any time not to exceed \$250,000;
- (e) Permitted Acquisitions;
- (f) Permitted Investments; and
- (g) other Investments in an aggregate amount not greater than \$2,000,000 at any time.

SECTION 6.05. Mergers, Consolidations, Acquisitions and Sales of Assets. (a) The Borrower will not, and will not cause or permit any Subsidiary to, merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it; provided, however, that if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing (i) any wholly owned Subsidiary may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any wholly owned Subsidiary may merge into or consolidate with any other wholly owned Subsidiary in a transaction in which the surviving entity is a wholly owned Subsidiary and no person other than the Borrower or a wholly owned Subsidiary receives any consideration and (iii) any Subsidiary may merge with or into or consolidate with the relevant Target in connection with a Permitted Acquisition; provided, however, that, except as permitted by clause (d) of the definition of the term "Permitted Acquisition", the percentage of Voting Stock of such Subsidiary owned directly or indirectly by the Borrower shall not change as a result of such merger or consolidation.

(b) The Borrower will not, and will not cause or permit any Subsidiary to, enter into any Asset Acquisition or Stock Acquisition other than a Permitted Acquisition.

(c) The Borrower will not, and will not cause or permit any Subsidiary to, enter into any Asset Disposition (other than Asset Dispositions involving assets with an aggregate book value and Fair Market Value not in excess of \$10,000,000 during the term of this Agreement and the proceeds of which are applied in accordance with Section 2.13(c)).

SECTION 6.06. Dividends and Distributions; Restrictions on Repayment of Indebtedness and Ability of Subsidiaries to Pay Dividends. (a) The Borrower will not, and will not cause or permit any Subsidiary to, directly or indirectly:

- (i) declare or pay any dividend or make any distribution (whether in cash, securities or other property) on or with respect to

the Equity Interests of the Borrower or any Subsidiary except for (A) dividends paid by Subsidiaries ratably to the holders of their common stock or other Equity Interests and (B) dividends paid by the Borrower solely in its common stock (or, in the case of Preferred Stock permitted by Section 6.01(b), in additional shares of such Preferred Stock or common stock of the Borrower), or

(ii) purchase, repurchase, redeem, retire or otherwise acquire for value any Equity Interests or Rights of the Borrower or any Affiliate of the Borrower held by persons other than the Borrower or a wholly owned Subsidiary or any securities exchangeable for or convertible into any such Equity Interests or Rights;

provided, however, that the Borrower may repurchase, redeem, retire or otherwise acquire Equity Interests or Rights of the Borrower or any Affiliate of the Borrower owned by employees of the Borrower and the Subsidiaries or their assigns, estates and heirs, at a price not in excess of fair market value determined in good faith by the Board of Directors of the Borrower, in an aggregate amount not to exceed \$4,000,000 during the term of this Agreement; provided further, however, that so long as (A) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (B) for a period of 30 days prior to giving effect thereto and immediately after giving effect thereto, the sum of the amount of cash and Permitted Investments of the Borrower plus the excess of the Total Revolving Credit Commitment over the Aggregate Revolving Credit Exposure shall be no less than \$25,000,000, the Borrower may declare and pay dividends on its Equity Interests and make purchases, repurchases, redemptions, retirements and other acquisitions for value of its Equity Interests in an aggregate amount during the term of this Agreement not greater at any time than the sum of (Y) \$25,000,000 and (Z) 25% of Consolidated Net Income of the Borrower for the period (taken as a single accounting period) from January 1, 2004, through the end of the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.04 at such time, if and only if the Total Debt/EBITDA Ratio is less than 1.50 to 1.00 at such time.

(b) The Borrower will not, and will not cause or permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

(i) payment of Indebtedness created under the Credit Documents,

(ii) payment of mandatory interest and principal payments as and when due in accordance with the terms of any Indebtedness, other than payments in respect of subordinated obligations prohibited by the subordination provisions thereof,

(iii) refinancings of Indebtedness to the extent permitted by Section 6.01, and

(iv) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness.

(c) The Borrower will not, and will not cause or permit any Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any contractual or consensual encumbrance or restriction on the ability of any such Subsidiary to (i) pay any dividends or make any other distributions on its Equity Interests or (ii) make or repay any loans or advances to the Borrower or to any other Subsidiary.

SECTION 6.07. Transactions with Affiliates. Except as set forth on Schedule 6.07, the Borrower will not, and will not cause or permit any Subsidiary to, sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (other than the Borrower or a wholly owned Subsidiary) except that the Borrower or any Subsidiary may engage in any of the foregoing transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from an unrelated third party.

SECTION 6.08. Business of the Borrower and Subsidiaries. The Borrower will not, and will not cause or permit any Subsidiary to, engage at any time in any business or business activity other than businesses in which the Borrower and its Subsidiaries are engaged on the Third Restatement Closing Date and business activities reasonably related thereto.

SECTION 6.09. Modification of Certain Agreements. The Borrower will not cause or permit any Subsidiary to consent to any amendment, supplement or other modification of any of the terms or provisions contained in its certificate of incorporation, by-laws or other organizational documents (except to the extent such amendment, supplement or modification would not adversely affect the rights or interests of the Lenders).

SECTION 6.10. Fiscal Year. The Borrower will not change the end of (a) its fiscal year from December 31 to any other date and (b) its fiscal quarter from the end of the calendar quarter to any other date.

SECTION 6.11. Capital Expenditures. The Borrower will not, and will not cause or permit any of the Subsidiaries to, make Capital Expenditures in any fiscal year of the Borrower in excess of the amount set forth below opposite such fiscal year:

Fiscal Year	Cash Capital Expenditure Limit
-----	-----
2003	\$12,000,000
2004	\$12,000,000
2005	\$15,000,000
2006	\$16,000,000
2007	\$17,000,000
2008	\$18,000,000

provided, however, Capital Expenditures of up to \$1,000,000 permitted but not made during any fiscal year may be used to increase Capital Expenditures permitted to be made during the following fiscal year.

SECTION 6.12. Total Debt/EBITDA Ratio. The Borrower will not permit, as of any date during any period set forth below, the ratio of (a) the total amount of Debt of the Borrower and the consolidated Subsidiaries as of such date to (b) EBITDA for the period of four fiscal quarters most recently ended as of such date for which financial statements have been delivered under Section 5.04(a) or (b) (the "Total Debt/EBITDA Ratio") to be in excess of the ratio set forth below opposite the period in which such date occurs:

Date -----	Ratio -----
June 5, 2003 through March 31, 2004	2.50 to 1.00
April 1, 2004 through September 30, 2004	2.25 to 1.00
October 1, 2004 through March 31, 2005	2.00 to 1.00
April 1, 2005 through December 31, 2005	1.75 to 1.00
January 1, 2006 through December 31, 2006	1.50 to 1.00
January 1, 2007 through December 31, 2007	1.25 to 1.00
January 1, 2008 and thereafter	1.00 to 1.00

SECTION 6.13. Consolidated Interest Expense Coverage Ratio. The Borrower will not permit the ratio of EBITDA to Consolidated Interest Expense for any period of four consecutive fiscal quarters to be less than 7.00 to 1.00; provided, however, for purposes of this Section only, Consolidated Interest Expense shall not include (a) amortization of debt discount and debt issuance cost, including commitment fees (other than with respect to the Commitments) or (b) non-cash interest expense.

ARTICLE VII

Defaults and Remedies

SECTION 7.01. Defaults and Remedies.

In case of the happening of any of the following events ("Events of Default"):

(a) Representations and Warranties. Any representation or warranty made or deemed made in or in connection with any Credit Document or in connection with any Credit Event, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Credit Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished.

(b) Payment of Principal. Default shall be made in the payment by the Borrower of any principal of any Loan or the reimbursement with respect to any L/C Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise.

(c) Payment of Interest, Fees, Etc. Default shall be made in the payment by the Borrower of any interest on any Loan or L/C Disbursement or any Fee or any other amount (other than an amount referred to in clause (b)) due under any Credit Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three Business Days.

(d) Certain Covenants. Default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 5.01(a), 5.05 or 5.08 or in Article VI.

(e) Other Covenants. Default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in any Credit Document (other than those specified in clause (b), (c) or (d) of this Article VII) and such default shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or any Lender to the Borrower.

(f) Default on other Indebtedness. (i) the Borrower or any of the Subsidiaries shall fail to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness when and as the same shall become due and payable, (ii) the Borrower or any of the Subsidiaries shall fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Material Indebtedness, or any other event or condition shall occur, if the effect of any failure or other event or condition referred to in this clause (ii) shall be to cause, or to permit the holder or holders of such Material Indebtedness or a trustee on its or their behalf to cause, with or without the giving of notice, the lapse of time or both, such Material Indebtedness to become due or to be required to be repurchased, redeemed or defeased prior to its stated maturity.

(g) Involuntary Bankruptcy. An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Borrower or any Subsidiary, or of a substantial part of the property or assets of the Borrower or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or a Subsidiary or (iii) the winding-up or liquidation of the Borrower or any Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered.

(h) Voluntary Bankruptcy. The Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (g), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or any Subsidiary, (iv) file an answer admitting

the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due, or (vii) take any action for the purpose of effecting any of the foregoing.

(i) Judgment Default. One or more judgments for the payment of money in an aggregate amount in excess of \$5,000,000 shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Borrower or any Subsidiary to enforce any such judgment.

(j) ERISA. An ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events, could reasonably be expected to result in liability of the Borrower and its ERISA Affiliates in an aggregate amount exceeding \$5,000,000 or to require payments exceeding \$1,000,000 in any year.

(k) Impairment of Security Interests. Any security interest purported to be created by any Collateral Document shall cease to be, or shall be asserted by the Borrower not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Collateral Document) security interest in the securities, assets or properties covered thereby, except to the extent that any such loss of perfection or priority results from the failure of the Collateral Agent to maintain possession of certificates representing securities pledged under the Collateral Agreement and except to the extent that such loss is covered by a Lender's title insurance policy and the related insurer promptly after such loss shall have acknowledged in writing that such loss is covered by such title insurance policy.

(l) Impairment of Credit Documents. Any Credit Document shall cease, for any reason, to be in full force and effect or the Borrower shall so assert in writing.

(m) Change in Control. There shall have occurred a Change in Control.

In every such event (other than an event with respect to the Borrower described in clause (g) or (h)), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Credit Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Credit Document to the contrary notwithstanding; and in any event with respect to the Borrower described in clause (g) or (h), the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the

Borrower accrued hereunder and under any other Credit Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Credit Document to the contrary notwithstanding. The Required Lenders by notice to the Administrative Agent may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

ARTICLE VIII

The Agents

SECTION 8.01. Appointment of Agents. In order to expedite the transactions contemplated by this Agreement, Citigroup Global Markets Inc. and Wachovia Securities LLC are hereby appointed to act as Arrangers, Citigroup USA, Inc. is hereby appointed to act as Administrative Agent, Collateral Agent on behalf of the Lenders and the Issuing Bank, Wachovia Bank, National Association is hereby appointed to act as Syndication Agent, and General Electric Capital Corporation, Key Corporate Capital Inc., LaSalle Bank N.A. and SunTrust Bank are hereby appointed to act as Documentation Agents (for purposes of this Article VIII, the Arrangers, the Collateral Agent, the Administrative Agent, the Syndication Agent and the Documentation Agents are referred to collectively as the "Agents"). Each of the Lenders, each assignee of any such Lender and the Issuing Bank hereby irrevocably authorizes the Agents to take such actions on behalf of such Lender or assignee or the Issuing Bank and to exercise such powers as are specifically delegated to the Agents by the terms and provisions hereof and of the other Credit Documents, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent is hereby expressly authorized by the Lenders and the Issuing Bank, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders, any assignees of the Lenders and the Issuing Bank all payments of principal of and interest on the Loans, all payments in respect of L/C Disbursements and all other amounts due to the Lenders hereunder, and promptly to distribute to each Lender, each assignee of any such Lender or the Issuing Bank its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders or the Issuing Bank to the Borrower of any Event of Default specified in this Agreement of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Lender copies of all notices, financial statements and other materials delivered by the Borrower pursuant to this Agreement or the other Credit Documents as received by the Administrative Agent. It is expressly understood that none of the Arrangers, the Syndication Agent and the Documentation Agents shall have any duties or responsibilities under this Agreement.

SECTION 8.02. Limitations on Liability. Neither the Agents nor any of their respective directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or wilful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in

connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower of any of the terms, conditions, covenants or agreements contained in any Credit Document. The Agents shall not be responsible to the Lenders or any assignees of the Lenders for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or any other Credit Documents, instruments or agreements. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof until it shall have received from the payee of such Note notice, given as provided herein, of the transfer thereof in compliance with Section 9.04. The Agents shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Lenders and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Lenders and each assignee of any Lender. Each Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Agents nor any of their respective directors, officers, employees or agents shall have any responsibility to the Borrower on account of the failure of or delay in performance or breach by any Lender or the Issuing Bank of any of its obligations hereunder or to any Lender or the Issuing Bank on account of the failure of or delay in performance or breach by any other Lender or the Issuing Bank or the Borrower of any of their respective obligations hereunder or under any other Credit Document or in connection herewith or therewith. Each of the Agents may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

SECTION 8.03. Acting at the Direction of the Required Lenders. The Lenders hereby acknowledge that no Agent shall be under any duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Lenders.

SECTION 8.04. Resignation of the Agents. Subject to the appointment and acceptance of a successor Agent as provided below, any Agent may resign at any time by notifying the Lenders and the Borrower in writing. Upon any such resignation, the Required Lenders shall have the right to appoint a successor. If no successor shall have been so appointed by the Required Lenders (subject, so long as no Event of Default has occurred and is continuing, to the consent of the Borrower, not to be unreasonably withheld or delayed) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations hereunder. After an Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

SECTION 8.05. Other Transactions. With respect to the Loans made by it hereunder (and the Notes issued to it), each Agent in its individual capacity

and not as Agent shall have the same rights and powers as any other Lender and may exercise the same as though it were not an Agent, and the Agents and their Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent.

SECTION 8.06. Reimbursement and Indemnity. Each Lender agrees (a) to reimburse the Agents, on demand, in the amount of its pro rata share (based on its Commitments hereunder) of any expenses incurred for the benefit of the Lenders by the Agents, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, that shall not have been reimbursed by the Borrower and (b) to indemnify and hold harmless each Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against it in its capacity as Agent or any of them in any way relating to or arising out of this Agreement or any other Credit Document or any action taken or omitted by it or any of them under this Agreement or any other Credit Document, to the extent the same shall not have been reimbursed by the Borrower; provided, however, that no Lender shall be liable to an Agent or any such other indemnified person for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Agent or any of its directors, officers, employees or agents. Each Revolving Credit Lender agrees to reimburse the Issuing Bank and its directors, officers, employees and agents, in each case, to the same extent and subject to the same limitations as provided above for the Agents.

SECTION 8.07. No Reliance. Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Credit Document, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(a) if to the Borrower to Cross Country Healthcare, Inc., 6551 Park of Commerce Boulevard, N.W., Suite 200, Boca Raton, Florida 33847, Attention of Emil Hensel, Chief Financial Officer (fax: (561) 912-9068);

(b) if to the Administrative Agent, the Issuing Bank or the Swingline Lender, to Citicorp USA, Inc., at 2 Penns Way, Suite 200, New Castle, Delaware 19720, Attention of Global Loans Servicing Center (fax: (302) 894-6120), with a copy of each report, financial statement, notice or other document required to be delivered by the Borrower under Article V to Citicorp USA, Inc., 390 Greenwich Street, 1st Floor, New York, New York 10013, Attention of Allen Fisher (fax: (212) 723-8544); and

(c) if to a Lender, to it at its address (or fax number) set forth on Annex 2 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date five Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section or in accordance with the latest unrevoked direction from such party given in accordance with this Section.

SECTION 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Credit Document shall be considered to have been relied upon by the Lenders and the Issuing Bank and shall survive the making by the Lenders of the Loans, the issuance of Letters of Credit by the Issuing Bank and the execution and delivery to the Lenders of the Notes evidencing such Loans, regardless of any investigation made by the Lenders or the Issuing Bank or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Credit Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not been terminated. The provisions of Sections 2.14, 2.16, 2.20 and 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Credit Document, or any investigation made by or on behalf of the Syndication Agent, the Administrative Agent, the Collateral Agent, the Documentation Agents, the Issuing Bank or any Lender.

SECTION 9.03. Binding Effect; Termination. This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. This Agreement shall remain in effect until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Credit Document shall have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full.

SECTION 9.04. Successors and Assigns. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower, the Administrative Agent, the Issuing Bank or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it and the Notes held by it); provided, however, that:

(i) the Borrower and the Administrative Agent and (only with respect to Revolving Credit Commitments and Revolving Loans) the Issuing Bank and the Swingline Lender must give their prior written consent to such assignment (which consent shall not be unreasonably withheld), except in the case of an assignment to a Lender, an Affiliate of a Lender or a Related Fund of any Loan or Note (in which case no consent of any party shall be required), or at any time when an Event of Default has occurred and is continuing (in which case no consent of the Borrower shall be required),

(ii) except with the prior written consent of the Borrower and the Administrative Agent, the amount of the Commitment and/or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000 and an integral multiple of \$1,000,000 (or shall equal the entire remaining amount of such Lender's Commitment and/or Loans),

(iii) each such assignment, if it is an assignment of a Revolving Credit Commitment and/or Revolving Loans, shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations with respect to the Revolving Credit Commitments and Revolving Loans,

(iv) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with the Note or Notes subject to such assignment and a processing and recordation fee of \$3,500; provided, however, that only one such fee shall be payable in the event of simultaneous assignments made by the same person, and

(v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to clause (e) of this Section, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning

Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16, 2.20 and 9.05, as well as to any Fees accrued for its account and not yet paid).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitments and Loans (and the outstanding balances thereof), in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in clause (i), such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any Subsidiary or the performance or observance by the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto, (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance, (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) or delivered pursuant to Section 5.04 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (v) such assignee will independently and without reliance upon the Arrangers, the Administrative Agent, the Collateral Agent, such assigning Lender 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, (vi) such assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto, and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount 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 Arrangers, the Administrative Agent, the Issuing Bank, the Collateral 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, the Arrangers, the Issuing Bank, the Collateral Agent and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee together with the Note or Notes subject to such assignment, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) and, if required, the written consent of the Borrower, the Administrative Agent and (only with respect to Revolving Credit Commitments and Revolving Loans) the Issuing Bank and the Swingline Lender to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Issuing Bank and the Lenders. No assignment shall be effective unless it has been recorded in the Register as provided in this clause. Within five Business Days after receipt of notice (to the extent requested by such assignee), (i) the Borrower, at its own expense, shall execute and deliver to the Administrative Agent new Notes payable to the order of such assignee (or, if such assignee shall so request, to such assignee or registered assigns) representing the Commitments and Loans acquired by such assignee pursuant to such Assignment and Acceptance and (ii) the assigning Lender, if it shall cease to be a party hereto as provided in clause (a), shall deliver the Notes held by it to the Borrower for cancellation. The new Notes delivered to such assignee shall be dated the date of the original Notes issued hereunder and shall otherwise be in substantially the form of the appropriate Exhibit or Exhibits thereto.

(f) Each Lender may without the consent of the Borrower, the Issuing Bank, the Swingline Lender or the Administrative Agent sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it and the Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.14, 2.16 and 2.20 to the same extent as if they were Lenders and (iv) the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans or L/C Disbursements and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers which extend the final scheduled maturity of any Loan or Letter of Credit (unless such Letter of Credit is not extended beyond the Revolving Credit Maturity Date) in which such participant is participating, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of applicability of any post-default increase in interest amounts) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (provided, however, that a waiver of any Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased thereby), or consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section, disclose to the assignee or participant or proposed assignee or participant any

information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided, however, that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.17.

(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation, (i) any pledge or assignment to secure obligations of such Lender to a Federal Reserve Bank and (ii) in the case of any Lender that is a fund, any pledge or assignment to any holders of obligations owed, or securities issued, by such Lender including to any trustee for, or any other representative of, such holders; provided, however, that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

(i) The Borrower shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent, the Issuing Bank and each Lender, and any attempted assignment without such consent shall be null and void.

(j) If S&P, Moody's and Thompson's BankWatch (or InsuranceWatch Ratings Service, in the case of Lenders that are insurance companies (or Best's Insurance Reports, if such insurance company is not rated by Insurance Watch Ratings Service)) shall, after the date that any Lender becomes a Revolving Credit Lender, downgrade the long-term certificate of deposit ratings, or claims paying ratings, in the case of a Lender that is an insurance company, and the resulting ratings shall be below BBB-, Baa3 and C (or BB, in the case of a Lender that is an insurance company (or B, in the case of an insurance company not rated by InsuranceWatch Ratings Service)), then the Issuing Bank shall have the right, but not the obligation, at its own expense, upon notice to such Lender and the Administrative Agent, to replace (or to request the Borrower to use its reasonable efforts to replace) such Lender with an assignee (in accordance with and subject to the restrictions contained in clause (b)), and such Lender hereby agrees to transfer and assign without recourse (in accordance with and subject to the restrictions contained in clause (b)) all its interests, rights and obligations in respect of its Revolving Credit Commitment to such assignee; provided, however, that (i) no such assignment shall conflict with any law, rule and regulation or order of any Governmental Authority and (ii) the Issuing Bank or such assignee, as the case may be, shall pay to such Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by such Lender hereunder and all other amounts accrued for such Lender's account or owed to it hereunder.

SECTION 9.05. Expenses; Indemnity. (a) The Borrower agrees to pay all reasonable out-of-pocket expenses incurred by the Issuing Bank, the Swingline Lender, the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent and the Documentation Agents in connection with the syndication of the credit facilities provided for herein and the preparation and administration of this Agreement and the other Credit Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be

consummated) or incurred by the Issuing Bank, the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement and the other Credit Documents or the Loans made or the Notes or Letters of Credit issued hereunder, as applicable, including expenses incurred in connection with due diligence and the fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Agents and, in connection with any such enforcement or protection, the fees, charges and disbursements of any other counsel for the Agents or any Lender.

(b) The Borrower agrees to indemnify the Issuing Bank, the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents and each Lender, each Affiliate of any of the foregoing persons and each of their respective directors, officers, employees and agents (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Credit Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans or issuance of Letters of Credit, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, or (iv) any actual or alleged presence or Release of Hazardous Materials on any property owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Claim related in any way to the Borrower or the Subsidiaries; provided, however, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) The provisions of this Section shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Letters of Credit, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Credit Document, or any investigation made by or on behalf of the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents or any Lender or the Issuing Bank. All amounts due under this Section shall be payable on written demand therefor.

SECTION 9.06. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and other Credit Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Credit Document and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.07. Applicable Law. THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS (OTHER THAN LETTERS OF CREDIT AND AS EXPRESSLY SET FORTH IN OTHER CREDIT DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OR RULES DESIGNATED IN SUCH LETTER OF CREDIT, OR IF NO SUCH LAWS OR RULES ARE DESIGNATED, THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1997 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500 (THE "UNIFORM CUSTOMS") AND, AS TO MATTERS NOT GOVERNED BY THE UNIFORM CUSTOMS, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. Waivers; Amendment; Replacement Lenders. (a) No failure or delay of the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank in exercising any power or right hereunder or under any other Credit Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents, the Issuing Bank and the Lenders hereunder and under the other Credit Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Credit Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by clause (b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders; provided, however, that no such agreement shall (i) defer or delay the Revolving Credit Maturity Date or the Term Loan Maturity Date, or decrease the principal amount of, or extend the date of any scheduled payment of principal of, or the date of any payment of any interest on, any Loan or any date for reimbursement of an L/C Disbursement, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan or L/C Disbursement, without the prior written consent of each Lender affected thereby, (ii) change or extend the Commitment or extend or waive the date for payment of the Commitment Fees of any Lender without the prior written consent of each Lender affected thereby, (iii) amend or modify the provisions of Section 2.17 or 9.04(i), the provisions of this Section or the definition of the term "Required Lenders", or release all or any substantial part of the Collateral or any material Subsidiary Guarantor, or waive any condition precedent to the initial Credit Event hereunder, without the prior written consent of each Lender, (iv) reduce the portion of any prepayment required to be applied against the outstanding Term Loans, or change the application of any such portion among the remaining installments of principal due in respect of the Term Loans pursuant to Section 2.13, without the consent

of the Lenders holding a majority in the principal amount of the outstanding Term Loans, or (v) amend, modify or otherwise affect the rights or duties of the Arrangers, the Administrative Agent, the Collateral Agent, the Issuing Bank, the Swingline Lender, the Syndication Agent or the Documentation Agents hereunder or under any other Credit Document without the prior written consent of the Arrangers, the Administrative Agent, the Collateral Agent, the Issuing Bank, the Swingline Lender, the Syndication Agent or the Documentation Agents, as the case may be. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, the Issuing Bank and the Swingline Lender) if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement. Each Lender and each holder of a Note shall be bound by any waiver, amendment or modification authorized by this Section regardless of whether its Note shall have been marked to make reference thereto, and any consent by any Lender or holder of a Note pursuant to this Section shall bind any person subsequently acquiring a Note from it, whether or not such Note shall have been so marked.

(b) Notwithstanding the foregoing, if the Borrower shall request the release of any Collateral that is to be the subject of any Asset Disposition and shall deliver to the Collateral Agent a certificate to the effect that such Asset Disposition and the application of the proceeds thereof will comply with the terms of this Agreement, the Collateral Agent, if satisfied that the applicable certificate is correct, shall, without the consent of any Lender, execute and deliver all such instruments as may be required to effect the release of such Collateral.

(c) If a Lender refuses to consent to a proposed change, waiver, discharge or termination with respect to this Agreement that requires the consent of all the Lenders and that has been approved by the Required Lenders, the Borrower shall have the right for a 60 day period following such refusal to replace such Lender (a "Replaced Lender") with one or more assignees permitted pursuant to Section 9.04 (collectively, the "Replacement Lender") acceptable to Administrative Agent; provided, however, that:

(i) at the time of any replacement pursuant to this clause, the Replacement Lender and Replaced Lender shall enter into one or more Assignments and Acceptances pursuant to Section 9.04(b) (and with all fees payable pursuant to Section 9.04(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire all of the outstanding Loans and Commitments of, participations in Letters of Credit by and accrued interest and Fees of the Replaced Lender,

(ii) the Replacement Lender shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (A) the principal of, and all unpaid interest accrued on, all outstanding Loans of the Replaced Lender, and all accrued and unpaid Fees payable to the Replaced Lender and (B) all amounts in respect of drawings on Letters of Credit that have been funded by (and not reimbursed to) such Replaced Lender, together with all unpaid interest thereon,

(iii) the Replacement Lender shall pay to the appropriate Issuing Bank an amount equal to such Replaced Lender's Revolving Percentage of any unpaid drawings with respect to Letters of Credit issued by it to the extent such amount was not theretofore funded by such Replaced Lender, and

(iv) all obligations of the Borrower owing to the Replaced Lender other than principal, interest and Commitment Fees shall be paid in full to such Replaced Lender concurrently with such replacement.

Upon the execution of the respective Assignment and Acceptance, recordation of such assignment in the Register by Administrative Agent, and the payment of foregoing amounts, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder except with respect to indemnification provisions under this Agreement which by the terms of this Agreement survive the termination of this Agreement, which indemnification provisions shall survive as to such Replaced Lender. Notwithstanding anything to the contrary contained above, no Issuing Bank may be replaced hereunder at any time while it has Letters of Credit outstanding hereunder unless arrangements satisfactory to such Issuing Bank (including the furnishing of a standby letter of credit in form and substance and issued by an issuer satisfactory to such Issuing Bank or the furnishing of cash collateral in amounts and pursuant to arrangements satisfactory to such Issuing Bank) have been made with respect to such outstanding Letters of Credit.

SECTION 9.09. Interest Rate Limitation. Notwithstanding anything herein or in the Notes to the contrary, if at any time the interest rate applicable to any Loan or participation in any L/C Disbursement, together with all fees, charges and other amounts which are treated as interest on such Loan or participation in such L/C Disbursement under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or participation in accordance with applicable law, the rate of interest payable in respect of such Loan or participation hereunder or under the Note held by such Lender, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or participation but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or participations or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10. Entire Agreement. This Agreement, the Fee Letter and the other Credit Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Credit Documents. Nothing in this Agreement or in the other Credit Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Credit Documents.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.12. Severability. If any one or more of the provisions contained in this Agreement or in any other Credit Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (and the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by fax transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. Jurisdiction; Consent to Service of Process. (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Credit Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Arrangers, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Documentation Agents, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Credit Documents against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Credit Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16. Judgment Currency. (a) The obligations of the Borrower hereunder and under the other Credit Documents to make payments in dollars (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or a Lender or the Issuing Bank of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent or such Lender or the Issuing Bank under this Agreement or the other Credit Documents. If, for the purpose of obtaining or enforcing judgment against the Borrower or in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the date immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrower covenants and agrees to pay, or cause to be paid, as a separate obligation and notwithstanding any judgment, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the rate of exchange for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 9.17. Confidentiality. (a) The Borrower, the Lenders and the Administrative Agent hereby agree that each of the Borrower, the Lenders and the Administrative Agent (and each of their respective, and their respective affiliates, employees, officers, directors, agents and advisors) is, and has been from the commencement of discussions with respect to the facilities established by this Agreement (the "Facilities"), permitted to disclose to any

and all persons, without limitation of any kind, the structure and tax aspects (as such terms are used in the Code Sections 6011, 6111 and 6112 and the regulations promulgated thereunder) of the Facilities, and all materials of any kind (including opinions or other tax analyses) that are or have been provided to the Borrower, such Lender or the Administrative Agent related to such structure and tax aspects. In this regard, each of the Borrower, the Lenders and the Administrative Agent acknowledges and agrees that its disclosure of the structure or tax aspects of the Facilities is not limited in any way by an express or implied understanding or agreement, oral or written (whether or not such understanding or agreement is legally binding). Furthermore, each of the Borrower, the Lenders and the Administrative Agent acknowledges and agrees that it does not know or have reason to know that its use or disclosure of information relating to the structure or tax aspects of the Facilities is limited in any other manner (such as where the Facilities is claimed to be proprietary or exclusive) for the benefit of any other person. To the extent that disclosure of the structure or tax aspects of the Facilities by the Borrower, the Administrative Agent or the Lenders is limited by any existing agreement between the Borrower and the Administrative Agent or the Lenders, such limitation is agreed to be void ab initio and such agreement is hereby amended to permit disclosure of the structure and tax aspects of the Facilities as provided in this paragraph (a).

(b) Subject to paragraph (a) of this Section, neither the Administrative Agent nor any Lender may disclose to any person any confidential, proprietary or non-public information of the Borrower furnished to the Administrative Agent or the Lenders by the Borrower (such information being referred to collectively herein as the "Borrower Information"), except that each of the Administrative Agent and each of the Lenders may disclose Borrower Information (i) to its and its affiliates' employees, officers, directors, agents and advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Borrower Information and instructed to keep such Borrower Information confidential on substantially the same terms as provided herein), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (vii) to the extent such Borrower Information (A) is or becomes generally available to the public on a non-confidential basis other than as a result of a breach of this Section by the Administrative Agent or such Lender, or (B) is or becomes available to the Administrative Agent or such Lender on a nonconfidential basis from a source other than the Borrower and (viii) with the consent of the Borrower.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CROSS COUNTRY HEALTHCARE, INC.,

by /s/ Emil Hensel

Name: Emil Hensel
Title: Chief Financial Officer

CITICORP USA, INC., individually and as
Administrative Agent, Collateral Agent, Issuing
Bank and Swingline Lender,

by /s/ John W. Peruzzi

Name: John W. Peruzzi
Title: Director

CITIGROUP GLOBAL MARKETS INC., as Sole Bookrunner
and Joint Lead Arranger,

by /s/ John W. Peruzzi

Name: John W. Peruzzi
Title: Director

WACHOVIA SECURITIES LLC, as Joint Lead Arranger,

by /s/ Tye Nordbery

Name: Tye Nordbery
Title: V.P.

WACHOVIA BANK, NATIONAL ASSOCIATION, individually
and as Syndication Agent,

by /s/ Tye Nordbery

Name: Tye Nordbery
Title: V.P.

General Electric Capital Corporation, individually
and as Documentation Agent,

by /s/ Earl F. Smith III

Name: Earl F. Smith III
Title: Duly Authorized Signatory

Key Corporate Capital Inc., individually and as
Documentation Agent,

by /s/ Thomas A. Crandell

Name: Thomas A. Crandell
Title: Senior Vice President

LASALLE BANK N.A., individually and as
Documentation Agent,

by /s/ Dana Friedman

Name: Dana Friedman
Title: V.P.

SUNTRUST BANK, individually and as Documentation
Agent,

by /s/ Laura G. Harrison

Name: Laura G. Harrison
Title: Vice President

SIGNATURE PAGE TO THE CROSS COUNTRY HEALTHCARE,
INC. THIRD AMENDED AND RESTATED CREDIT AGREEMENT,
DATED AS OF JUNE 5, 2003

LENDER: Merrill Lynch Capital, a division of Merrill Lynch Business Financial
Services Inc.

by: /s/ Paula K. Berry

Name: Paula K. Berry
Title: Vice President

SIGNATURE PAGE TO THE CROSS COUNTRY HEALTHCARE,
INC. THIRD AMENDED AND RESTATED CREDIT AGREEMENT,
DATED AS OF JUNE 5, 2003

LENDER: COMMERZBANK AG.
NEW YORK AND GRAND CAYMAN BRANCHES

by: /s/ Marianne I. Medora

Name: Marianne I. Medora
Title: Senior Vice President

by: /s/ Douglas I. Glickman

Name: Douglas I. Glickman
Title: Vice President

CROSS COUNTRY HEALTHCARE COMPLETES MED-STAFF ACQUISITION AND NEW CREDIT FACILITY

BOCA RATON, Fla. – June 5, 2003 /PRNewswire-FirstCall/ – Cross Country Healthcare, Inc. (Nasdaq: CCRN) announced today it has completed the acquisition of the assets of Med-Staff, Inc., one of the largest privately held healthcare staffing companies in the United States, for \$104 million in cash, plus an earn-out provision up to a maximum of \$37.5 million based on 2003 performance

Based in Newtown Square, PA, Med-Staff had 2002 revenues of \$162 million and EBITDA of \$19.3 million – approximately 65% of revenues were from travel nurse staffing and 35% from per diem nurse staffing. This acquisition is expected to be accretive to Cross Country's 2003 earnings.

“Med-Staff provides us with another large travel nurse-staffing brand with which to further segment the travel nurse population, a more substantial platform in per diem nurse-staffing and an entry point into nurse-staffing at clinics and hospitals on military bases,” said Joseph A. Boshart, President and Chief Executive Officer of Cross Country Healthcare, Inc. “Cross Country is now better positioned to offer comprehensive healthcare staffing solutions to hospitals on a primary or exclusive basis while expanding our breadth and depth of service to nurses,” Mr. Boshart added.

Bill Davis, President and Chief Executive Officer of Med-Staff, Inc., commented that, “While building Med-Staff into a sizeable and profitable healthcare staffing business over the past 15 years, we have always considered Cross Country to be a well respected competitor and have held the management team in the highest regard. We now look forward to being a valued part of the Cross Country organization as well as to the opportunity to continue growing Med-Staff over the long-term by leveraging our successful formula with Cross Country.”

In conjunction with the Med-Staff acquisition, Cross Country has entered into a new [\$200-\$225] million Senior Secured Credit Facility [arranged by Citigroup] consisting of a 5-year \$75 million revolving credit instrument and a 6-year \$125 million Term Loan B instrument. Approximately \$125 million of these funds and \$10 million of existing cash were used to finance the Med-Staff acquisition, to refinance all of Cross Country's existing debt and to pay financing-related fees.

Cross Country Healthcare, Inc. is a leading provider of healthcare staffing services in the United States. The Company has an active client base of over 3,000 hospitals, pharmaceutical companies and other healthcare providers across all 50 states.

Copies of this and other news releases as well as additional information about Cross Country can be obtained online at www.crosscountry.com. Shareholders and prospective investors can also register at the corporate Web site to automatically receive by e-mail the Company's press releases, SEC filings, notice of investment conference presentations, etc.

(more)



This release contains forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, and similar expressions are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include the following: our ability to attract and retain qualified nurses and other healthcare personnel, costs and availability of short-term leases for our travel nurses, demand for the health care services we provide, both nationally and in the regions in which we operate, the functioning of our information systems, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, our clients' ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, and other factors set forth under the caption “Risk Factors” in the Company's 10-K for the year ended December 31, 2002. Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results. Given these uncertainties, the forward-looking statements discussed in this press release might not occur. While it is the Company's intention to update its guidance quarterly, it should not be assumed that its silence over time means that actual events are occurring as expressed or implied in such forward-looking statements.

For further information, please contact:

Howard A. Goldman

Director/Investor Relations & Corporate Communications

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Email: hgoldman@crosscountry.com