CACI INTERNATIONAL INC /DE/

FORM 10-K405
(Annual Report (Regulation S-K, item 405))

Filed 9/25/1998 For Period Ending 6/30/1998

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Sector	Technology
Fiscal Year	06/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended June 30, 1998

Commission File Number 0-8401

CACI International Inc

(Exact name of Registrant as
specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

54-1345888
(I.R.S. Employer Identification No.)

1100 North Glebe Road, Arlington, VA 22201
(Address of principal executive offices)

(703) 841-7800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

CACI International Inc Common Stock, $0.10 par value
(Title of each class)

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of August 31, 1998, was approximately $134,912,203.

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of August 31, 1998: CACI International Inc Common Stock, $.10 par value, 10,862,995 shares.

Documents Incorporated by Reference

(1) The information relating to directors and officers contained in the proxy statement of the Registrant to be filed in connection with its 1998 Annual Meeting of Stockholders is incorporated by reference into Part III, Items 10, 11, 12, and 13 of this Form 10-K.

BUSINESS INFORMATION

Unless the context indicates otherwise, the terms "the Company" and "CACI" as used in Parts I and II, include both CACI International Inc and its wholly-owned subsidiaries. The term "the Registrant", as used in Parts I and II, refers to CACI International Inc only.

PART I

ITEM 1. BUSINESS

Background

CACI International Inc (the "Registrant") was organized as a Delaware corporation under the name of "CACI WORLDWIDE, INC." on October 8, 1985. By a merger effected on June 2, 1986, the Registrant became the parent of CACI, Inc., a Delaware corporation, and CACI N.V., a Netherlands corporation.

The Registrant is a holding company and its operations are conducted through wholly-owned subsidiaries which are located in the U.S. and Europe.

Overview

CACI founded its business in 1962 in simulation technology, and has strategically diversified within the information technology ("IT") industry. With 1998 revenues of $326 million, CACI serves clients in major segments of government and commercial markets primarily throughout North America and Western Europe, delivering client solutions for systems integration, year 2000 conversion, information assurance and security, reengineering, logistics and engineering support, electronic commerce, intelligent document management ("IDM"), product data management ("PDM"), software development and reuse, telecommunications, simulation and planning, and market analysis. Many of the Company's client relationships have existed for five years or more.

The Company's service and value have enabled it not only to sustain high rates of repeat business and long-term client relationships, but also to compete effectively for new clients and new contracts. The Company is organized to seek competitive business opportunities and has designed its operations to support major programs through centralized business development and industry alliances. CACI has structured its new business development organization to respond to the globally competitive marketplace. The Company employs full-time marketing, sales, communications, and proposal development specialists who support Company marketing and sales activities.

The Company's primary markets -- both domestic and international -- are agencies of national governments, major corporations, state and local governments, and other business organizations. The market for CACI's information systems and advanced technology services is created by the complex systems and information environment in which clients operate and the continuous demand to stay current with emerging technology while increasing performance, whether as a result of governmentally mandated programs or commercial initiatives.

The Company offers marketing systems software and database products, targeted to clients who need systems and analysis for retail sales of consumer products, direct marketing campaigns, franchise or branch site location projects, and similar requirements.

In its simulation technology business, the Company offers simulation languages, software products, and services that enable clients to visualize the impact of proposed changes or new technologies before implementation. CACI's simulation offerings include solutions for military training and war-gaming exercises, air traffic control, manufacturing, wide area communications networks (i.e., "WAN"s) including satellites, land lines and metro area networks (i.e., "MAN"s), local area computer networks (i.e., "LAN"s), the study of business processes, and the design of distributed computer systems architectures for the integration of synthetic environments.

CACI provides electronic commerce ("EC") solutions to the federal government for automated procurement. Its complete suite of EC products is available on a GSA schedule and provides a flexible but fully-featured configuration to enable easy management of purchases and contracts.

The Company has generated commercial business from solutions built on CACI's thirty-year history of logistics and engineering support for the Department of Defense ("DoD"). CACI's proprietary PDM product, C-GATE (TM), enables clients to standardize and improve the way they manage the life cycle of systems, products, and material assets, resulting in cost savings and increased productivity. [The preceding C-GATE trademark contains a hyphen to represent the bullet point which is an integral component of the mark and which cannot be printed due to electronic transmission limitations.]

The Company's IDM solutions provide a range of enabling technologies - imaging, document management, workflow, and groupware - that facilitate the management of large document collections and allow organizations to achieve higher operational efficiencies and mission effectiveness. CACI provides IDM and related litigation support services to the Department of Justice ("DoJ"), the U.S. Navy, the U.S. Army, and commercial legal clients.

CACI's RENovate (SM) methodology combines technology tasks and methodologies to plan, integrate, and manage technology change -- without losing existing investments in technology.

In response to the year 2000 challenge, CACI offers a wide range of solutions, including the Company's conversion methodology, Restore 2000 (SM), that has been independently validated by the Information Technology Association of America ("ITAA"), based upon a Software Engineering Institute Level 3-certified process reengineering approach.

CACI's systems integration solutions, applied throughout the federal and commercial arenas, improve organizational performance by enhancing system infrastructure through such activities as migrating legacy systems to more powerful or new environments such as the Internet, automating procurement, assuring security and accessibility of vital information, and reusing legacy software and data.

The Company operates through wholly-owned subsidiaries established to serve specific market segments or conduct business in specific geopolitical jurisdictions.

CACI's major operating subsidiary in Europe, CACI Limited, is headquartered in London, England, and operates primarily in support of CACI's information systems, marketing systems and simulation technology lines of business in the U.K. and Western Europe.

At June 30, 1998, CACI employed approximately 3,700 people. This total includes 400 part-time employees. The corporation currently operates from its headquarters at Three Ballston Plaza, 1100 N. Glebe Road, Arlington, Virginia. CACI has operating offices and facilities in over 60 other locations throughout the U.S., Western Europe and Canada.

General Description of CACI Systems, Technologies and Products

Representative systems applications include:

. Ammunition management information systems
. Automated procurement
. Business support systems
. Computer aided logistics/data information systems
. Configuration management
. Electronic commerce
. Electronic data interchange
. Engineering support
. Executive decision support systems
. Imaging services
. Information assurance/security
. Information management systems
. Intelligent document management systems and services
. Legal systems and litigation support services
. Manufacturing planning systems
. Marketing and customer database management systems
. Military trainers/synthetic environment integration and services
. Network security
. Process reengineering
. Product data and supply chain management
. Retail market modeling
. Simulation and modeling languages, products and services
. Site location planning and analysis systems
. Software development and reuse
. Systems reengineering
. Systems integration
. State motor vehicle registration and related management information systems
. Telecommunications network services and support
. Training
. Weapon systems/equipment configuration management systems
. World Wide Web integration
. Year 2000 date reconfiguration services

CACI products are installed in numerous locations worldwide, and many are designed to run on a variety of commercially available computers. Representative CACI software and marketing systems include:

. Performance Prediction Technology:

. SIMFACTORY (R) II.5 General Factory Simulator. A software product for factory planners to study alternative plant and equipment configurations.

. COMNET III (TM) Network Simulation Software. An object-oriented high- fidelity wide area network, local area network and metro area network telecommunications simulator for capacity planning and failure analysis.

. COMNET Baseliner (TM) Telecommunications Simulation Software. An automatic network traffic and topology-gathering tool.

. COMNET Predictor (TM) Network Planning Software. An analytical capacity planning tool for the day-to-day network manager that predicts the impact of changes to very large telecommunications networks before implementation.

. Enterprise Profiler (TM) Telecommunications Simulation Software. A tool for analyzing application traffic.

. NETWORK II.5 (R) Computer Architecture Simulation Software. A software product for engineers to study alternative combinations of computers and data storage devices.

. SIMSCRIPT II.5 (R) Simulation Programming Language. A language designed especially for analysts to build computer-based representations ("models") of complex activities, e.g., airways and airport traffic; maintenance procedures for fleets of ships; warfare studies of military equipment and tactics; and communications networks.

. SIMPROCESS (R) III Object-oriented Analytical Simulation Software. A prototyping tool for business process reengineering that enables managers to model a current business process, then explore alternative approaches before implementation.

. MODSIM III (TM) Simulation Programming Language. A graphical computer programming and simulation environment that generates C++ code.

. Marketing Data and Information Products:

. InSite-USA (TM) and InSite (TM) for Windows 95 (U.S. and U.K. versions) Marketing and Demographics Information Systems. PC-based geographic information systems combining software, data and mapping capabilities to enable planners to study markets to help determine the location of retail outlets, branch networks, sales territories, potential customers, and competitors. (Windows is a registered trademark of Microsoft Corporation.)
[The preceding InSite-USA trademark contains a hyphen to represent the bullet point which is an integral component of the mark and which cannot be printed due to electronic transmission limitations.]

. ACORN (SM) (A Classification of Residential Neighborhoods) Demographic Information System. A system that analyzes consumers according to the type of residential area in which they live, used to identify the prime prospects for all types of consumer goods and services.

. Market*Master (TM) Demographic Information System. A database marketing system that enables companies to analyze their customers by product holding and usage for the purpose of cross-selling other products and services.

. SITE (R) Demographic Information Software and Reports. Detailed demographic and applied market research database services for any geographic area, such as county, zip code, TV broadcast area, congressional district, or retail trade area.

. UpFront (TM) Graphical Interface Software. A graphical user interface that enables software to be used in an object-oriented manner.

. Electronic Commerce Products:

. SACONS (R) Automated Contracting System. A commercial off-the-shelf system that provides clients an automated, cost effective way to complete procurement activities and improve productivity.

. SACONS (R)-EDI Module. An automated, electronic commerce add-on module to the SACONS system that creates and receives data transmissions using standard protocols.

. SACONS (R)-Gateway Module. An add-on module to the SACONS system that centralizes protocols established by the U.S. Government as acceptable standards for electronic procurement with the government.

. QuickBid (R) Automated Bid/Contracting System. A World Wide Web-based value-added network ("VAN") that allows identification and competition for U.S. Government business via electronic data interchange over the Internet.

. Imaging and Document Management Products:

. ADIIS (TM) Document Imaging Software System. A flexible document conversion and management system that includes advanced imaging, optical character recognition, indexing, document retrieval and workprocess management.

U.S. Government Agencies

CACI offers its entire range of information systems, technical services and proprietary products to defense and civilian agencies of the U.S.

Government. These activities require CACI's expert knowledge of agency policies and operations. These assignments may combine a wide range of CACI's skills in information systems, systems engineering, telecommunications, logistics sciences, weapons systems, simulation, and automated document management systems. CACI also contracts with other national governments.

State and Local Governments

CACI is a leader in the supply of automated information systems for state governments' management of vehicle registration, licensing and wheeled vehicle revenue support, and for local governments' management of false alarm billing systems and housing registration systems. The Company also offers its software and systems integration services to this market segment.

Major Corporations

CACI's commercial market base consists primarily of large corporations (nominally characterized as the "Fortune 1000"). This market is a primary target of the Company's proprietary software and database products in its marketing systems and simulation technology lines of business. The market for CACI's proprietary simulation products is worldwide.

Other Services

CACI also provides information about its products and services, investor relations, and career opportunities on its World Wide Web home page at http://www.caci.com.

CACI Employment and Benefits

CACI's business success is highly correlated with the Company's ability to recruit, train, promote, and retain exceptional people at all levels of the organization. The most valuable asset and resource the Company has is its people. The Company is in continuing competition for highly skilled professionals in virtually all of its high technology areas.

For these reasons, the Company has endeavored to develop and maintain competitive salary structures, incentive compensation programs, fringe benefits, opportunities for growth, and individual recognition and award programs to highlight the Company's intense interest in the success of its people in their careers.

In order to compete effectively in attracting and retaining highly skilled personnel, the Company and its subsidiaries provide substantial benefits to their employees. These benefits vary among the Company's subsidiaries, but generally include paid vacations and holidays, medical, dental, disability and life insurance, incentive bonuses, tuition reimbursement for job-related education and training, technical training, and other benefits under retirement and stock purchase plans.

The Company recruits people from various populations, including experienced professionals, university graduates, trade and technical school graduates, seasoned technicians, and entry-level employees. The Company's employee profile includes a high-percentage of college graduates, many with masters and doctoral degrees. The Company seeks professionals with academically certified credentials in computer-based information sciences, systems engineering, modeling and simulation, telecommunications, network systems, management systems, market research, economics, environmental sciences, military sciences, law, and other scientific and research-oriented disciplines.

The Company has structured its promotion and advancement policies to meet the current market environment. Individuals advance in relation to their demonstrated abilities to perform, their leadership skills, or their managerial achievements.

CACI's advancement criteria incorporate specific requirements to demonstrate a "client-service orientation" and to work synergistically within the Company. This philosophy is consistent with CACI's current market, and is a catalyst for individuals to support Company objectives.

The Company has published policies that set high standards for the conduct of its business. The Company also requires all of its employees, consultants, officers, and directors to subscribe annually to and affirm the Company's published Code of Ethics and Business Conduct Standards.

Marketplace, Description and Significant Activities

CACI operates in an industry which includes many highly competitive firms. At the same time, CACI is one of the larger public corporations in its segment of the IT services industry. Although the Company is a premier supplier of proprietary computer-based simulation technology products worldwide, and is a major supplier of proprietary marketing systems products in both the U.S. and the U.K., CACI is not primarily a software product developer-distributor (See discussion following on Patents, Trademarks, Trade Secrets and Licenses).

Competition for new contracts centers on past performance, responsiveness to proposal requests, price, and many other factors. Competition for software products and services focuses on reputation, applicability to client needs and market demand, and quality of product support and maintenance services, among other elements.

The Company has established the capability to combine comprehensive knowledge of client challenges with significant expertise in the design, development and implementation of advanced IT solutions. This capability provides CACI with important opportunities to support large equipment manufacturers with the systems integration and software services required to compete for multi-million dollar contracts from the U.S. Government.

CACI has developed strategic business relationships with companies such as Microsoft Corporation, Sun Microsystems, Infonet Services Corporation, Intergraph, PKS, Viasoft, Inc., NCR Corporation, Digital Equipment Corporation, Computer Associates, and Lotus Development Corporation. These businesses have perspectives and objectives compatible with those of the Company, and offer products and services that complement CACI's. The Company intends to continue development of these relationships wherever they support CACI's growth objectives.

Marketing and new business development for the Company's services and products is conducted by all the officers and managers of the Company, including the Chief Executive Officer, executive officers, vice presidents, and division and department managers. CACI's proprietary software and data products are sold primarily by full-time salespeople. For its information systems and services markets, the Company employs several marketing professionals who support the Company's targeting of major contract opportunities, primarily in the U.S. Government market. The Company also has established agreements for the sale of certain third party products in specified domestic and international markets.

CACI competes with a substantial number of firms, some of which are larger in size and have greater financial resources than CACI. The Company obtains much of its business on the basis of proposals submitted in response to requests from potential and current customers, who may also request proposals from other firms. Additionally, the Company faces indirect competition from certain government agencies that perform services for themselves similar to those marketed by CACI. The Company knows of no single competitor that is dominant in its fields of technology. The Company has a relatively small share of the available worldwide market for its products and services and has a goal of achieving growth through increased market share.

CACI's sales of proprietary software and data products are generally effected by limited duration or perpetual licenses. The Company generally prices its products in catalog fashion and via the Internet. Often, product prices are determined by the target computer on which the product will run, by the number of users or by frequency of usage.

For CACI's information systems and professional services contracts, the Company submits bids for work and products to be delivered. Commercial bids are frequently negotiated as to terms and conditions for schedule, specifications, delivery, and payment. CACI's contracts and subcontracts include a wide range of contractual types, including firm fixed-price, cost reimbursement, labor-hour-and-materials expense, and variants thereof, including fixed-unit price, performance, and delivery contracts.

Often, the form of contract and terms will be specified by the client. This is especially the case with government clients. In these situations, the Company may seek alternative arrangements or choose not to bid in those cases where the contracting arrangement appears to expose the Company to inappropriate risk. By Company policy, fixed-price contracts require the approval of a senior officer of the Company, and review and release approval by the Chief Executive Officer.

At any one time, the Company may have several hundred separate contract obligations. In 1998, the ten top revenue-producing contracts accounted for 42% of CACI's revenues, or $138 million. One contract for automated litigation support to the Civil Division of DoJ, accounted for 13% of total 1998 Company revenues.

In 1998, 77% of CACI's revenues came from U.S. Government contracts, the remaining 23% coming from commercial and state and local contracts, as well as proprietary products sales. Of the total, 49% of the Company's revenues came from DoD contracts, 18% from contracts with DoJ, and 10 % from other civilian agency government clients.

The Company is working to diversify its business portfolio. The Company nonetheless, will aggressively seek additional work from DoD. In 1998, the DoD revenues grew by 14%, or $20 million, primarily as a result of the November 1, 1997 acquisition of the business of Government Systems, Inc. ("GSI") and the October 1, 1996 acquisition of the business of Sunset Resources, Inc. ("SRI").

The Company believes it is the largest supplier of litigation support and related automation services to the U.S. Government. The Company intends to seek additional litigation support work from the U.S. Government and offers significant economies to the Government through its specialization in this field. In addition, the Company recently expanded its services to include automated debt collection support services to DoJ.

During the past fiscal year, the Company examined a number of acquisition opportunities. On November 1, 1997, the Company acquired the business and net assets of Government Systems, Inc., a provider of international communications and network-related services to the U.S. Government and other organizations, for $28 million. As a result of this acquisition, the Company significantly expanded its telecommunications capabilities and contract base with DoD and the Federal Aviation Administration ("FAA").

On November 6, 1997, CACI Limited, the Registrant's wholly-owned subsidiary in the United Kingdom, acquired the outstanding stock of AnaData Limited ("AnaData"), a provider of database marketing software products in the U.K. for $1.9 million. The acquired AnaData products are used across a range of database marketing applications, from relationship marketing through advanced name and address processing. The AnaData business was merged into CACI's already sizeable database marketing business in the U.K. The acquisition gives

CACI ownership of an enhanced range of software products which it will continue to sell to companies for their own in-house use as well as for support of CACI's clients.

Seasonal Nature of Business

The Company's business in general is not seasonal, although the summer and winter holiday seasons affect both sales and revenue of the Company because of their impact on the Company's labor sales and on product and service sales by the Company's European operations. Variations in the Company's business also may occur at the expiration of major contracts until such contracts are renewed or new contracts obtained.

Research and Development

During fiscal years 1998, 1997 and 1996, the Company spent $1,123,000, $1,307,000 and $833,000 respectively for research and development on current and future products.

Environmental Protection Requirements

There has been no significant adverse impact on the Company's business as a result of laws that have been enacted for the protection of the environment.

Patents, Trademarks, Trade Secrets and Licenses

The Company believes that its business is dependent to a significant extent on its technical and organizational knowledge, practices and procedures, in some of which it claims proprietary interests.

CACI claims copyright, trademark and proprietary rights in each of its proprietary computer software and data products and documentation. The Company presently owns approximately 40 registered U.S. trademarks and service marks. All of the Company's registered U.S. trademarks and service marks may be renewed indefinitely. CACI also is a party to agreements which give it the right to distribute computer software and other products owned by other companies, and receive income therefrom.

The Company has developed and holds proprietary rights in a number of computer software packages, databases and methodologies, including, but not limited to: ACORN (SM), ADIIS (TM), C-GATE (TM)#, CACI Coder/Plus (TM), COMNET II.5 (R), COMNET III (TM), COMNET Baseliner (TM), COMNET Predictor (TM), Enterprise Profiler (TM), FAR-TRIEVE (R), InSite-USA (TM)#, L-NET (R)#, Legal Workbench (TM), Market*Master (TM), MODSIM II (R), MODSIM III (TM), NETOBJECT (TM), NETWORK II.5 (R), QuickBid (R), RENovate (SM), Restore 2000 (SM), SACONS (R), SACONS-FEDERAL (R), SIMANIMATION (R), SIMBASE (TM), SIMFACTORY (R) II.5, SIMFLOW (R), SIMGRAPHICS (R), SIMLAB (R), SIMOBJECT (R), SIMPROCESS (R) III, SIMSCENARIO (R), SIMSCRIPT II.5 (R), SIMSNIPS (R), SIMSTRUCTOR (R), SimTrainer (R), SIMVIDEO (TM), SITELINE (R), SITE-POTENTIAL (R)#, Site Reporter (TM), Sourcebook-America (TM)#, SUPERSITE (R), UpFront (TM), and ZIP-DEMOGRAPHICS (R)#.

[# The marks above indicated with a terminal pound sign (#) contain a hyphen to represent the bullet point which is an integral component of each mark and which cannot be printed to due electronic transmission limitations.]

In addition, subsidiaries of the Registrant claim foreign copyright, trademark, and proprietary rights in computer software products and databases including, but not limited to: ACORN (R) (and the related Arts*ACORN (R), Change*ACORN (R), Custom*ACORN (R), Financial*ACORN (R), Holiday*ACORN (R), Household*ACORN (R), Investor*ACORN (R), Property*ACORN (R), Scottish*ACORN (R)), ACORN Lifestyles (R), ALEX (R), CACI MARKET MASTER (R), CACI National Mortgage Database (R), CACI Savings Market Database (R), Charity Focus (TM), FINPIN (R), GEOMATCH (R), GEOREAD (R), GEOTRIEVE (R), InSite (TM), Lifestyle*Plus (TM)(and the related Auto*Plus (TM), Fuel*Plus (TM), HouseAge*Plus (TM), and MailOrder*Plus (TM)), Listline (TM), MONICA (R), PayCheck (TM), PIN (R), PINPOINT (R), PINPOINT ADDRESS CODE (R), ScoreBoards (TM), SITE (R), and UpFront (R).

Some of the Registrant's subsidiaries are parties to agreements pursuant to which they may have the right to distribute computer software products owned by others and obtain income therefrom.

Backlog

The Company's backlog as of June 30, 1998 was $1.05 billion, of which $185 million was funded for orders believed to be firm. Total backlog as of June 30, 1997 was $1.03 billion, of which $113 million represented firm orders. The source of backlog is primarily contracts with the U.S. Government. It is presently anticipated that all of the firm backlog will be filled during the fiscal year ending June 30, 1999.

Business Segments, Foreign Operations, and Major Customer

The business segment, foreign operations and major customer information is provided in the Company's Consolidated Financial Statements contained in this Report. In particular, see Note 10, Segment Information, to the Notes to Consolidated Financial Statements.

The following information is provided about the amounts of revenue attributable to firm fixed-price contracts (including proprietary software product sales), time-and-materials contracts, and cost reimbursable contracts of the Company during each of the last three fiscal years: (dollars in

thousands)

Fiscal Year Ended June 30,	Firm Fixed-Price	Time-and-Materials	Cost Reimbursable	Total
1998	$84,612	$171,137	$70,361	$326,110
1997	67,627	122,987	82,370	272,984
1996	56,813	109,429	78,373	244,615

ITEM 2. PROPERTIES

As of June 30, 1998, CACI leased office space at 60 locations containing an aggregate of approximately 767,000 square feet located in 24 states and the District of Columbia. In five countries outside the U.S., CACI leased seven offices containing about 26,500 square feet. CACI's leases expire primarily within the next five years. In most cases, CACI anticipates that leases will be renewed or replaced by other leases.

All of CACI's offices are in modern and well-maintained buildings. The facilities are substantially utilized and adequate for present operations.

As of June 30, 1998, CACI International Inc maintained its corporate headquarters in approximately 155,000 square feet of space at 1100 North Glebe Road, Arlington, Virginia. See Note 8, Commitments and Contingencies, to the Notes to Consolidated Financial Statements, for additional information regarding the Company's lease commitments.

ITEM 3. LEGAL PROCEEDINGS

CACI, INC.-FEDERAL v. Arizona Department of Transportation

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the period ending March 31, 1998 for the most recently filed information concerning the lawsuit filed on June 25, 1996, by CACI, INC.-FEDERAL ("CACI"), the Registrant's wholly-owned subsidiary, in Superior Court for Maricopa County, Arizona, against the Arizona Department of Transportation ("ADOT"). This suit seeks the following: (i) a declaratory judgment that the disputes procedure mandated by the Arizona Procurement Code is unconstitutional; (ii) a declaratory judgment that ADOT cannot assert claims against CACI under the mandated disputes procedure; (iii) a declaratory judgment that ADOT is not entitled to recover consequential damages in connectio n with the dispute; (iv) $2,938,990 plus interest in breach of contract damages; (v) the return of CACI's property seized by ADOT in connection with the termination of the contract; and (vi) lawyers' fees. ADOT has counterclaimed, seeking in excess of $100 million in damages allegedly caused by CACI's breach of contract.

Since the filing of Registrant's report indicated above, the parties engaged in settlement discussions in July 1998, with no resolution to date.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter of the Registrant's fiscal year ended June 30, 1998, through the solicitation of proxies or otherwise.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Registrant's Common Stock became publicly traded on June 2, 1986, replacing paired units of common stock of CACI, Inc. and beneficial interests in common shares of CACI N.V. which had been traded in the over-the-counter market.

From July 1, 1996 to June 30, 1998, the ranges of high and low sales prices of the common shares of the Registrant quoted on the Nasdaq National Market System for each quarter during this period are as follows:

	1998		1997	
Quarter	High	Low	High	Low
1st	$20	$13 7/8	$18 5/8	$12

2nd	$20 5/8	$16	$22	$16
3rd	$22 1/4	$18 1/2	$23 5/8	$16 1/8
4th	$22 1/4	$17 1/8	$19 5/8	$13 5/8

The Registrant has never paid a cash dividend. The present policy of the Registrant is to retain earnings to provide funds for the operation and expansio n of its business. The Registrant does not intend to pay any cash dividends at this time.

At August 31, 1998, the number of record stockholders of the Registrant's Common Stock was approximately 881.

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data set forth below is derived from the audited financial statements of the Company for the years ended June 30, 1998, 1997, 1996, 1995 and 1994. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements of the Company and the notes thereto included as Item 8 in this Form 10-K.

(dollars in thousands, except per share)

	Income Statement Data				
Year ended June 30,	1998	1997	1996	1995	1994
Revenues	$326,110	$272,984	$244,615	$232,964	$183,700
Costs and expenses					
Direct costs	177,584	147,084	133,184	126,442	97,584
Indirect costs and selling expenses	119,320	101,157	89,160	87,688	71,126
Depreciation and amortization	8,892	6,852	5,510	4,981	4,341
Total operating expenses	305,796	255,093	227,854	219,111	173,051
Income from operations	20,314	17,891	16,761	13,853	10,649
Interest expense	1,837	1,105	605	478	420
Shareholder lawsuit & merger costs	-	-	-	-	494
Income before income taxes	18,477	16,786	16,156	13,375	9,735
Income taxes	6,762	6,714	6,305	5,219	3,699
Net income	$ 11,715	$ 10,072	$ 9,851	$ 8,156	$ 6,036
Basic earnings per share <FN1>	$ 1.09	$ 0.96	$ 0.97	$ 0.81	$ 0.60
Diluted earnings per share <FN1>	$ 1.05	$ 0.92	$ 0.92	$ 0.77	$ 0.57

	Balance Sheet Data				
June 30,	1998	1997	1996	1995	1994
Total assets	$163,060	$118,860	$103,308	$ 74,642	$ 70,999
Long-term obligations	31,231	10,568	2,414	2,340	2,492
Working capital	54,878	42,014	28,675	26,517	22,009
Stockholders' equity	84,327	70,774	55,338	44,485	37,738

<FN1> Computed on the basis described in Note 1, Earnings Per Share, of the Notes to Consolidated Financial Statements. As a result, prior period per share amounts have been restated.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION & RESULTS OF OPERATIONS

The following discussion and analysis is provided to enhance the understanding of, and should be read in conjunction with, the Financial Statements and the related Notes. All years refer to the Company's fiscal year which ends on June 30.

The table below sets forth, for the periods indicated, the customer mix in revenues with related percentages of total revenues.

(dollars in thousands)	1998		1997		1996
Department of Defense	$160,982	49.4%	$141,172	51.7%	$130,432	53.3%
Federal Civilian Agencies	89,768	27.5	69,615	25.5	59,178	24.2
Commercial	65,878	20.2	55,132	20.2	47,479	19.4
State & Local Government	9,482	2.9	7,065	2.6	7,526	3.1
Total	$326,110	100.0%	$272,984	100.0%	$244,615	100.0%

REVENUES: Total revenues in 1998 increased by $53.1 million, or 19%, from $273.0 million to $326.1 million. This increase was primarily due to recent acquisitions coupled with continued internal revenue growth of 14% generated from Federal civilian agencies, increased revenues from year 2000 software renovation services, and higher commercial sales from the Company's Marketing Systems Group in the U.K. The increase in total revenues of $28.4 million, or 12%, to $273.0 million in 1997 from $244.6 million in 1996 was primarily due to acquisitions along with internal growth in services provided to Federal civilian agencies, and in the demand for commercial products and services. All of the acquisitions have been accounted for using the purchase method of accounting and the results of their operations have been included in the Company's revenues since the date of acquisition. The following reflects the year-to-year effect of revenues contributed from acquired companies. Acquisitions made during the last two years accounted for $29.0 million of the 1998 revenue growth. On November 1, 1997, the Company acquired the business and net assets of Government Systems, Inc. ("GSI"), which contributed approximately $22.3 million of incremental revenues in 1998. In addition, in November 1997, CACI Limited in London, England, acquired all of the share capital of AnaData, which contributed $1.5 million of incremental revenues in 1998. Acquisitions made during 1997 generated incremental revenues of $5.2 million during 1998. For 1997, revenues contributed from acquisitions were $21.6 million, which accounted for 76% of the 1997 revenue growth.

Revenues from the DoD increased 14.0%, or $19.8 million, in 1998 as compared to 1997, primarily due to the acquisitions discussed above, which accounted for approximately $15.3 million of the total increase. The increase in 1997 DoD revenue as compared to 1996 was primarily attributable to the acquisitions of Sunset Resources, Inc. ("SRI") in 1997 and of Automated Sciences Group, Inc. ("ASG") in 1996, which contributed combined incremental revenues of $13.1 million.

Federal Civilian Agencies revenues are primarily derived from DoJ litigation support efforts. The litigation support services provided to DoJ have grown substantially over many years. However, these services are dependent on the level of DoJ litigation that the Company is supporting at any period of time and have significant year-to-year fluctuations. Revenues from DoJ were $58.4 million, $53.2 million and $47.4 million in 1998, 1997 and 1996, respectively. In 1998, revenues from Federal Civilian Agencies other than DoJ were enhanced by $10.1 million from the acquisition of GSI, which resulted primarily from services and equipment provided to the Federal Aviation Administration, and by $4.9 million of internal growth, primarily in the Company's year 2000 software renovation services.

In 1997, the majority of the growth in revenues from Federal Civilian Agencies was due to the acquisitions of ASG and IMS Technologies, Inc. ("IMS"), which combined provided civilian agency revenues of $7.1 million.

Commercial revenues are derived primarily from the Company's Marketing Systems Group in the U.K., and to a lesser degree from the Simulation Systems Group and commercial litigation support. For the years 1998 and 1997, commercial revenues increased by 19%, or $10.7 million, and 16%, or $7.7 million, respectively. These increases were primarily the result of growth in the Marketing Systems Group's sales of territory optimization and marketing analysis software products and services and systems integration services. Total revenues were $40.9 million, $33.0 million and $28.8 million in 1998, 1997 and 1996, respectively. The nature of the Company's proprietary software products business is inherently less predictable than the Company's longer-term contract work with the Federal Government and may fluctuate from year to year.

As a percentage, revenues from state and local governments have increased slightly to 2.9% of revenues from 2.6% of revenues a year ago. The $2.4 million increase in revenues to $9.5 million in 1998 versus $7.1 million in 1997 was largely due to year 2000 business. The $0.4 million revenue decline in 1997 was principally due to reduced demand from various state motor vehicle departments.

The Company's total funded and unfunded backlog at June 30, 1998 increased to $1.05 billion compared to $1.03 billion a year ago.

RESULTS OF OPERATIONS. The following table sets forth the relative percentages that certain items of expense and earnings bear to revenues.

	1998	1997	1996
Revenues	100.0%	100.0%	100.0%
Costs and expenses			
Direct costs	54.5	53.9	54.4
Indirect & selling expenses	36.6	37.1	36.5
Depreciation & amortization	2.7	2.4	2.3
Total operating expenses	93.8	93.4	93.2
Income from operations	6.2	6.6	6.8
Interest expense	0.6	0.5	0.2
Income before income taxes	5.6	6.1	6.6
Income taxes	2.1	2.4	2.6
Net income	3.5%	3.7%	4.0%

There are a number of factors which affect the Company's operating income and operating margins, or operating income as a percentage of revenues. Operating income over the three years has been primarily determined through changes in the levels of revenues. The Company reported a 13.5% increase in operating income in 1998 as compared to 1997. The primary reason for the increase was the 19.5% growth in revenues during the year, partially offset by a 0.3% decline in operating margins.

In 1997, income from operations was 6.6% of revenues as compared to 6.8% of revenues in 1996. The higher margin in 1996 was primarily due to $0.9 million in favorable settlements of contract claims. Similar to 1996, the Company recovered $1.5 million in 1997 on several old contract claims and prior year indirect rate settlements. In addition, a $0.3 million pretax gain was recognized on the sale of a non-strategic software product line. However, the gains recognized in 1997 were, in the aggregate, offset by $1.7 million of losses from productivity problems experienced in fixed unit price document management work in the litigation support business.

In 1998, there were no significant unusual or infrequently recurring items, such as those discussed in 1996 and 1997, that impacted operating margins.

During the last three years, as a percentage of revenues, total direct costs were 54.5%, 53.9% and 54.4%. Direct costs include direct labor and other direct costs such as equipment purchases, subcontract costs and travel expenses, which are generally passed through to the customer. The largest component of direct costs, direct labor, was $103.6 million, $92.3 million and $86.3 million in 1998, 1997 and 1996, respectively. Other direct costs were $74.0 million, $54.8 million and $46.9 million in 1998, 1997 and 1996, respectively, and have grown at a more rapid pace over the three-year period as the Company has a higher number of prime contracts with an increased level of other direct costs, the most notable increase coming from contracts obtained through the acquisitions of GSI and SRI.

Indirect costs and selling expenses include fringe benefits, marketing and bid & proposal costs, indirect labor, and other discretionary costs. As a percentage of revenues, indirect costs were 36.6%, 37.1% and 36.5% for 1998, 1997 and 1996 respectively. Most of these expenses are highly variable and have grown in proportion with the growth in revenues.

The increase in depreciation and amortization of $2.0 million to $8.9 million in 1998 was partially due to the acquisitions discussed above which resulted in additional goodwill amortization of $0.8 million. In 1997, $0.3 million of incremental goodwill amortization from acquisitions contributed to the overall increase of $1.3 million of depreciation and amortization expense. The remainder of the increases for 1998 and 1997 was due to capital expenditures of $6.4 million and $6.5 million, respectively, which consisted primarily of computer and network equipment.

Interest expense increased in 1998 and 1997 by $0.7 million and $0.5 million, respectively. The higher costs were the result of increases in average borrowings during these periods to $27.5 million and $15.6 million, respectively, from the 1996 average of $8.6 million. The increased borrowings were primarily the result of the acquisitions previously discussed.

The effective income tax rates in 1998, 1997 and 1996 were 36.6%, 40.0% and 39.0%, respectively. The decrease in the effective tax rate in 1998 was primarily the result of a lower effective state income tax rate. The increase in the 1997 rate was due to higher non-deductible goodwill amortization expense associated with acquisitions.

Effects of Inflation

Approximately 22% of the Company's business is conducted under cost-reimbursable contracts which automatically adjust revenues to cover increased costs from inflation. Over 52% of the business is under time-and-materials contracts where labor rates are often fixed for several years. The Company generally is able to price these contracts in a manner to accommodate rates of inflation as experienced in recent years. The remaining portion of the Company's business is fixed-price and is primarily for product sales or other short-term efforts that generally are not adversely affected by inflation.

Liquidity and Capital Resources

Historically, the Company's positive cash flow from operations and available credit facilities has provided adequate liquidity and working capital to fully fund the Company's operational needs and support acquisition activities. Working capital was $54.9 million and $42.0 million as of June 30, 1998 and 1997, respectively. The increase in working capital in 1998 is primarily related to the GSI acquisition. Operating activities provided cash of $19.9 million and $15.0 million for 1998 and 1997, respectively. The increase in cash provided by operating activities was primarily due to growth in earnings before depreciation and amortization. Increased working capital requirements to support the higher level of revenues were partially offset by the receipt of $3.1 million in income tax refunds.

The Company used $42.6 million in investing activities in 1998 versus $17.8 million for the same period last year. The acquisitions of GSI and AnaData accounted for $35.4 million of the total cash invested in 1998. In 1997, the acquisitions of SRI, Sales Performance Analysis Limited ("SPA"), and the Simulation Engineering Division of Statistica, Inc. ("Statistica") accounted for a combined purchase price of $9.6 million, which was financed through bank borrowings. Purchases of office and computer-related equipment of $6.4 million and $6.5 million in 1998 and 1997, respectively, accounted for a significant portion of the remaining cash used in investing activities.

During 1998, the Company financed its investing activities from operating cash flows and from a net increase in borrowings of $21.0 million under its line of credit. For the year ended June 30, 1997, financing activities provided cash of $3.2 million as a result of $4.4 million in proceeds and derived income tax benefits from the exercise of stock options offset by a $1.2 million reduction in borrowings under the line of credit.

In anticipation of continuing its strategy of acquisitions and in order to secure lower interest rates, on June 19, 1998 the Company executed a new five-year unsecured revolving line of credit. The agreement permits borrowings of up to $125 million with annual sublimits on amounts borrowed for acquisitions. (See also Note 4 to the Notes to Consolidated Financial Statements.) The Company also maintains a 500,000 pound sterling unsecured line of credit in London, England, which expires in November 1998. At June 30, 1998, the Company had approximately $96 million available for borrowings under its lines of credit.

On July 30, 1998, the Company executed a definitive purchase agreement to acquire 100% of the outstanding common shares of QuesTech, Inc. ("QuesTech") for $18.375 per share in cash, subsequently reduced to $18.13 per share. The total value of the acquisition, including the assumption of debt, will be approximately $42 million. The acquisition will be financed with bank borrowings and is expected to be completed in late October or November 1998.

On August 13, 1998, the Company purchased the assets of Information Decision Systems ("IDS") for $2.6 million in cash, which was financed with available bank borrowings.
While the Company did not purchase any of its shares in 1997 or 1998, it has repurchased its shares in the market in prior years. The Company has never paid any cash dividends as its policy is to invest earnings in the growth of the Company.

The Company believes that the combination of internally generated funds, available bank borrowings and cash on hand will provide the required liquidity and capital resources for the foreseeable future.

Year 2000

The following discussion addresses the Company's response to the year 2000 issue, caused by the fact that many computer systems have not been designed to process dates for the year 2000 and beyond.

The Company has undertaken a multi-faceted compliance program to address its readiness to handle the date issue in connection with both IT and non-IT systems (such as those using embedded chip technology) in the following areas:
CACI-developed software products and systems, infrastructure hardware and software applications, business applications, office equipment, leasehold facilities, and critical business partners. The Company believes that continued awareness and communication are critical to the successful execution of this program. We are currently addressing each one of these elements listed above.

Through the use of questionnaires, compliance testing, and continued discussions, we have presently determined the readiness of a substantial portion of the CACI software products currently offered. We are working to a plan which is aimed toward achieving compliance by March 1999. As most of the products offered by CACI do not focus on or utilize transactional data, it is our present belief that our efforts will be successful in developing a complete suite of compliant products. Regarding the custom systems previously developed by CACI for its customers, the Company is working to evaluate the contractual commitments that would obligate CACI to remediate non-compliant systems, as well as CACI's potential legal exposure concerning systems for which CACI has no continuing express warranty or maintenance obligations. Based on the present state of our knowledge and of the law as it applies to this aspect of the year 2000 issue, we are unable at this time to determine the full extent of exposure or to estimate the probable cost and timing of any required remediation.

Over the past few years, the Company has made a concerted effort to update its computer desktops and laptops and its internal communications network equipment and software. With current technology in place, the Company believes that most of these systems are already compliant. The Company has taken the additional step of requesting that its 160 suppliers of such systems and components provide information as to year 2000 compliance of their products. To date, approximately 60% have been found to be compliant or require only minor changes. The Company is proceeding in accordance with a plan that is scheduled to achieve material compliance of these systems by June 1999.

At this point, the Company has identified the following systems as our key business applications: finance & project management, payroll, human resources, and contracts. Our human resources information and contracts database systems are largely compliant with only minor issues remaining. We are currently in the process of upgrading our payroll system to a fully compliant MS-Windows(R)-based version supplied by an outside vendor, and we expect this upgrade to resolve this issue. In January 1998, we began our implementation of new finance and project management systems, which are supplied by Deltek, a leading supplier of such systems to the government contracting industry. These systems are represented as being compliant and our plan is to have them implemented by June 1999.

We have and will continue to determine and assess our critical business partners as a part of our compliance program. Presently, such significant business partners include, but are not limited to, our suppliers, the utility companies, our bank lending group, an outside vendor used to process payroll, insurance and benefit providers, and property management firms. CACI's operations are dependent to varying degrees on the readiness of these and other partners. CACI has issued questionnaires to most of the currently identified business partners. To date, the number of responses received is insufficient for us to evaluate the readiness of such parties. The Company is continuing to aggressively pursue responses in order to complete our evaluations and develop any appropriate contingency plans, as necessary.

The Company is heavily dependent upon the effectiveness of its customers' systems, principally in the U.S. Government, for the administration of contracts and payment of the Company's invoices. The Company plans to make formal inquiries of the efforts of its larger U.S. Government customers to determine the status and encourage correction of any problems in their systems. The primary concern is that there will be delays in contract payments to the Company, which would require a temporary increase in working capital. The Company has substantial borrowing capacity available under its current line of credit, which extends to June 2003, but will further evaluate the potential cash flow impact of the problem and determine if additional steps are necessary to insure that adequate contingency financing is available.

The financial impact of preparing the Company to be compliant is not fully determinable at this time. Presently, the most significant costs are related to our implementation of our new business systems in finance and project management, which are discussed above. Costs for this project, including software, hardware, consulting fees and labor are estimated at $2 million, of which approximately 50% has been spent to date. These costs are being capitalized and will be depreciated when the system is operational. In addition, we anticipate incurring approximately $200 thousand in incremental, internal labor costs that relate specifically to management of the year 2000 compliance program. The Company has devoted one full-time individual, an oversight committee of 15 individuals and approximately 40 LAN administrators at various offsite locations to communicate and implement all aspects of the year 2000 compliance program. The Company has found that many of the upgrades or patches necessary to fix the software are being provided at no cost by major vendors. In addition, a majority of the CACI software product upgrades are currently planned using existing technical staff without a significant effect on other new product development.

In summary, the Company has established a year 2000 compliance program plan and is working it as described above. We have not yet proceeded far enough through performance of that plan to make a more complete assessment of the Company's state of readiness, costs to address year 2000 issues, or risks to the Company. Moreover, because the Company's year 2000 compliance program plan appears, on the basis of our present knowledge, to adequately address the matter, we have not yet developed specific contingency plans. Investors should be aware of the fact that the process of addressing the year 2000 issue is necessarily incremental. The Company will continue to report on the status of its year 2000 compliance program. Investors are cautioned, however, that the Company's assessment of its readiness, of the costs of performing the program and the risks attended thereto, and of the need for any contingency plans may change materially in the future as we gain more complete knowledge and proceed further through plan performance.

Forward Looking Statements

This filing may contain "forward-looking" statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning expectations of the Company's future performance in terms of revenue and earnings. The Company cautions investors that there can be no assurance that actual results will not differ materially from those projected or suggested in such forward-looking statements. Factors which could cause a material difference in results include, but are not limited to, the following: regional and national economic conditions; changes in interest rates; changes in government spending policies and/or decisions concerning specific programs; individual business decisions of customers and clients; developments in technology; competitive factors and pricing pressures; the year 2000 issue; our ability to achieve the objectives of our business plans; and changes in government laws or regulations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of CACI International Inc and subsidiaries are provided in Section II of the Report.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company had no disagreements with its independent accountants on accounting principles, practices or financial statement disclosure during the two years prior to the date of the most recent financial statements included in this Report.

PART III

The Information required by Items 10, 11, 12, and 13 of Part III of Form 10-K has been omitted in reliance on General Instruction G(3) and is incorporated herein by reference to the Company's definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated

under the Securities Exchange Act of 1934, as amended.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES, AND REPORTS ON FORM 8-K

(a) Documents filed as part of this Report:

1. Financial Statements.

A. Report of Independent Accountants
B. Consolidated Statements of Operations for the years ended June 30, 1998, 1997 and 1996
C. Consolidated Balance Sheets as of June 30, 1998 and 1997
D. Consolidated Statements of Shareholders' Equity for the years ended June 30, 1998, 1997 and 1996
E. Consolidated Statements of Cash Flows for the years ended June 30, 1998, 1997 and 1996
F. Notes to Consolidated Financial Statements

2. Supplementary Financial Data.

Schedule II - Valuation and Qualifying Accounts for the years ended June 30, 1998, 1997 and 1996

(b) Reports on Form 8-K

. The Registrant filed a Current Report on 8-K on November 14, 1997, in which the Registrant reported that it had acquired the business and most of the assets of Government Systems, Inc.

. The Registrant filed a Current Report on 8-K/A on January 14, 1998, in which the Registrant amended Items 7(a) (1) and (b)(2) of the Current Report on Form 8-K filed on November 14, 1997.

. The Registrant filed a Current Report on Form 8-K on May 27, 1998, in which the Registrant reported that it had signed a Letter of Intent to acquire all of the issued and outstanding stock of QuesTech, Inc.

(c) Exhibits (listed by numbers corresponding to the exhibit table of Item 601 regulation S-K).

(3) Articles of Incorporation and By-laws:

3.1 Certificate of Incorporation of the Registrant, as amended to date.

3.2 By-laws of the Registrant, as amended to date.

(4) Instruments Defining the Rights of Security Holders:

4.1 Clause FOURTH of the Registrant's Certificate of Incorporation, incorporated above as Exhibit 3.1.
(10) Material Contracts:

10.1 Form of Stock Option Agreement between the Registrant and certain employees is incorporated by reference from Exhibit 10.6 of the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1991.

10.2 Employment Agreement between the Registrant and Dr. J. P. London dated August 17, 1995, is incorporated by reference from Exhibit 10.3 of the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1995.

10.3 The Stock Purchase Agreement dated September 1, 1995, between the Registrant, CACI, Inc., Automated Sciences Group, Inc., and Conrad Hipkins, is incorporated by reference from Exhibit 10.5 of the Registrant's Annual Report of Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1996.

10.4 The Acquisition and Merger Agreement dated December 21, 1995, between the Registrant, IMS Technologies, Inc., and certain other parties, is incorporated by reference from Exhibit 10.6 of the Registrant's Annual Report of Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1996.

10.5 The Revolving Credit Agreement dated July 26, 1996, between the Registrant, NationsBank, N.A., and certain other parties, is incorporated by reference from Exhibit 10.7 of the Registrant's Annual Report of Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1996.

10.6 The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registration Statement on Form S-8 filed with the Commission on January 24, 1997.

10.7 The Acquisition Agreement dated November 1, 1997, between the Registrant, CACI, Inc., and Government Systems, Inc., is incorporated by reference from the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 1997.

10.8 The Revolving Credit Agreement date June 19, 1998, between Registrant, NationsBank N.A., and certain other parties.

(11) Computation of Earnings per Common and Common Equivalent Share.

(21) The significant subsidiaries of the Registrant, as defined in
Section 1-02(w) of regulation S-X, are:

CACI, Inc., a Delaware Corporation CACI, INC.-FEDERAL, a Delaware Corporation (also does business as "CACI Marketing Systems", "Information Decision Systems", "Demographic on Call" and "CACI IDS") CACI, INC.-COMMERCIAL, a Delaware Corporation CACI Products Company, a Delaware Corporation CACI Products Company California, a California Corporation American Legal Services Corp., a Delaware Corporation (also does business as "CACI Advanced Legal Systems" and "CACI Legal Systems")
CACI Field Services, Inc., a Delaware Corporation CACI N.V., a Netherlands Corporation CACI Limited, a United Kingdom Corporation Automated Sciences Group, Inc., a Delaware Corporation IMS Services, Incorporated, a Maryland Corporation Integrated Microcomputer Systems, Inc., a Maryland Corporation

(27) Financial Data Schedule

SECTION II

REPORT OF INDEPENDENT ACCOUNTANTS

AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 1998, 1997 AND 1996

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders CACI International Inc
Arlington, Virginia

We have audited the accompanying consolidated balance sheets of CACI International Inc and subsidiaries (the Company) as of June 30, 1998 and 1997, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 1998 and 1997, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 1998, in conformity with generally accepted accounting principles.

/s/

[Deloitte & Touche LLP]
Washington, D.C.
August 11, 1998

CACI INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

Year ended June 30,	1998	1997	1996
Revenues	$326,110	$272,984	$244,615
Costs and expenses			
Direct costs	177,584	147,084	133,184
Indirect costs & selling expenses	119,320	101,157	89,160
Depreciation & amortization	8,892	6,852	5,510
Total operating expenses	305,796	255,093	227,854
Income from operations	20,314	17,891	16,761
Interest expense	1,837	1,105	605
Income before income taxes	18,477	16,786	16,156
Income taxes	6,762	6,714	6,305
Net income	$ 11,715	$ 10,072	$ 9,851
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE:			
Basic earnings per share	$ 1.09	$ 0.96	$ 0.97
Diluted earnings per share	$ 1.05	$ 0.92	$ 0.92
Average shares outstanding	10,779	10,504	10,140
Average shares & equivalent shares outstanding	11,153	11,005	10,716

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

June 30,	1998	1997
ASSETS		
Current assets		
Cash and equivalents	$ 2,081	$ 2,015
Accounts receivable		
Billed	83,995	59,294
Unbilled	9,350	11,549
Total accounts receivable	93,345	70,843
Income taxes receivable	-	2,984
Deferred income taxes	209	114
Deferred contract costs	2,383	-
Prepaid expenses and other	4,362	3,576
Total current assets	102,380	79,532
Property and equipment, net	11,351	11,605
Accounts receivable, long-term	6,075	7,015
Goodwill	37,474	15,459
Other assets	4,884	4,486
Deferred contract costs, long-term	480	-
Deferred income taxes	416	763
Total assets	$163,060	$118,860
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 24,257	$ 19,854
Accrued compensation and benefits	17,010	12,527
Income taxes payable	4,390	-
Deferred income taxes	1,845	5,137
Total current liabilities	47,502	37,518
Note payable, long-term	29,800	8,800)
Deferred rent expenses	1,289	1,627
Deferred income taxes	142	141
Shareholders' equity		
Common stock		
$.10 par value, 40,000,000 shares authorized, 14,371,000 and 14,215,000 shares issued	1,437	1,422
Capital in excess of par	12,344	10,595
Retained earnings	84,415	72,700
Cumulative currency translation adjustments	(207)	(281)
Treasury stock, at cost (3,526,000 shares)	(13,662)	(13,662)
Total shareholders' equity	84,327	70,774
Total liabilities and shareholders' equity	$163,060	$118,860

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

Year ended June 30,	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 11,715	$ 10,072	$ 9,851
Reconciliation of net income to net cash provided by operating activities			
Depreciation and amortization	8,892	6,852	5,510
(Gain) loss on sale of property and equipment	(166)	(657)	11
Provision (benefit) for deferred income taxes	(2,898)	2,531	811
Changes in operating assets and liabilities			
Accounts receivable	(12,014)	(275)	(5,636)
Prepaid expenses and other assets	273	363	177
Accounts payable and accrued expenses	1,481	(873)	1,558
Accrued compensation and benefits	4,192	(990)	(1,667)
Deferred rent expenses	(755)	(638)	(462)
Income taxes payable (receivable)	7,374	(1,357)	(3,571)
Deferred contract costs	1,764	-	-
Net cash provided by operating activities	19,858	15,028	6,582
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	(6,428)	(6,544)	(4,198)
Proceeds from sale of business, property and equipment	1,207	373	62
Purchase of businesses	(36,513)	(10,351)	(13,372)
Capitalized software costs and other	(837)	(1,292)	(463)
Net cash used in investing activities	(42,571)	(17,814)	(17,971)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds under line of credit	175,950	116,471	109,173
Payments under line of credit	(154,950)	(117,658)	(99,186)
Proceeds from stock options	1,764	4,402	1,205
Net cash provided by financing activities	22,764	3,215	11,192
Effect of exchange rates on cash and equivalents	15	(192)	(21)
Net increase (decrease) in cash and equivalents	66	237	(218)
Cash and equivalents, beginning of year	2,015	1,778	1,996
Cash and equivalents, end of year	$ 2,081	$ 2,015	$ 1,778
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for income taxes, net of refunds	$ 1,483	$ 2,826	$ 7,240
Cash paid during the year for interest	$ 1,909	$ 1,035	$ 609

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(amounts in thousands)

	Common stock						
	Capital currency		Treasury stock		Total		Cumulative
	translation		shareholders'		in excess	Retained	
	adjustments	Shares Amount	Shares	Amount	of par	earnings	equity
BALANCE, July 1, 1995	$52,777	$(1,040) 3,526	13,568	$(13,662)	$1,357	$ 5,053	$44,485
Net income	9,851	- -	-	-	-	9,851)	
Currency translation adjustments	-	(203) -	-	-	(203)		
Exercise of stock options (including $618 income tax benefit)	-	- -	187	-	19	1,205	1,186
BALANCE, June 30, 1996	62,628	(1,243) 3,526	13,755	(13,662)	1,376	6,239	55,338
Net income	10,072	- -	-	-	-	10,072	
Currency translation adjustments	-	962 -	-	-	962		
Exercise of stock options (including $2,720 income tax benefit)	-	- -	460	-	46	4,402	4,356
BALANCE, June 30, 1997	72,700	(281) 3,526	14,215	(13,662)	1,422	10,595	70,774
Net income	11,715	- -	-	-	-	11,715	
Currency translation adjustments	-	74 -	-	-	74		
Exercise of stock options (including $834 income tax benefit)	-	- -	156	-	15	1,764	1,749
BALANCE, June 30, 1998	$84,415	$ (207) 3,526	14,371	$(13,662)	$1,437	$12,344	$84,327

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activities

The Company is an international information systems and high technology services corporation. It is a leader in computer-based information technology systems, custom software, integration and operations, communication and network services, imaging and document management, simulation, and proprietary database and software products. The Company provides worldwide services in support of U.S. national defense and civilian agencies, state and local governments, and commercial enterprises.

Principles of Consolidation

The consolidated financial statements include the statements of CACI International Inc and its wholly-owned subsidiaries (the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

Revenues on cost-plus-fee contracts are recognized to the extent of costs incurred plus a proportionate amount of the fee earned. Revenues on fixed-price contracts are recognized on the percentage-of-completion method based on costs incurred in relation to total estimated costs. Revenues on time-and-material contracts are recognized to the extent of billable rates times hours delivered plus material expenses incurred. Revenues from software license sales are recognized upon delivery when there is no significant obligation to perform after the sale, but are recognized under the percentage-of-completion method when there is significant obligation for production, modification or customization after the sale. Revenues from maintenance support services on these products are nonrefundable and generally recognized on a straight-line basis over the term of the service agreement. Provisions for estimated losses on uncompleted contracts are recorded in the period such losses are determined.

The Company's U.S. Government contracts (approximately 77% of total revenues in 1998) are subject to subsequent government audit of direct and indirect costs. The majority of such incurred cost audits have been completed through June 30, 1996. Management does not anticipate any material adjustment to the consolidated financial statements in subsequent periods for audits not yet completed.

Property and Equipment

Property and equipment is recorded at cost. Depreciation of equipment has been provided over the estimated useful life of the respective assets of three to ten years, using the straight-line method. Leasehold improvements are generally amortized using the straight-line method over the respective remaining lease term or the useful life of the improvements, whichever is shorter.

(dollars in thousands) June 30,	1998	1997
Equipment and furniture	$ 33,949	$ 30,553
Leasehold improvements	2,412	2,198
Property and equipment, at cost	36,361	32,751
Less accumulated depreciation and amortization	(25,010)	(21,146)
Total property and equipment, net	$ 11,351	$ 11,605

Deferred Contract Costs

Deferred contract costs include the cost of equipment acquired by the Company to provide communications services under contract. The costs are charged to expense as the associated service revenues are billed to the customer. As of June 30, 1998, approximately $2.4 million is classified as a current asset, which represents the amount to be recovered within the next twelve months.

Capitalized Software Costs

Costs incurred internally in creating a computer software product are charged to expense when incurred as research and development until technological feasibility has been established for the product. Technological feasibility is established upon completion of a detailed program design or, in its absence, completion of a working model. Thereafter, all software development costs are capitalized and subsequently reported at the lower of unamortized cost or estimated net realizable value. Capitalized costs are amortized based on current and future revenues for

each product with annual minimum amortization equal to the straight-line amortization over the remaining estimated economic life of the product, which ranges from three to five years.

Goodwill

The excess of cost over fair market value of net assets acquired is being amortized using the straight-line method, generally over 15 to 20 years. Accumulated amortization was $4,972,000 and $2,952,000 at June 30, 1998, and June 30, 1997, respectively.

Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and operating loss and tax credit carryforwards.

U.S. income taxes have not been provided on $20,157,000 in undistributed earnings of foreign subsidiaries that have been permanently reinvested outside the United States. If such earnings were distributed to the United States, certain foreign tax credits would be available to reduce the associated tax liability.

Currency Translation

The assets and liabilities of the Company's foreign subsidiaries whose functional currency is other than the U.S. dollar are translated at the exchange rates in effect on the reporting date, and income and expenses are translated at the weighted average exchange rate during the period. The net effect of such translation gains and losses is not included in determining net income, but is accumulated as a separate component of shareholders' equity. Foreign currency transaction gains and losses are included in determining net income.

Earnings Per Share

In March 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which simplifies the standards for computing earnings per share previously found in Accounting Principles Board Opinion No. 15 and makes them comparable to international earnings per share standards. The Statement is effective for financial statements issued for periods ending after December 15, 1997. As a result, the Company's reported earnings per share for 1997 and 1996 have been restated.

SFAS No. 128 requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Diluted earnings per share includes the incremental effect of stock options calculated using the treasury stock method.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, short-term investments with an original maturity of three months or less are considered cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of the Company's accounts payable and accrued expenses approximate their fair value. The line of credit has a floating interest rate that varies with current indices and, as such, its recorded value approximates fair value.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

Effective for fiscal 1997, the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation," and, as permitted by this standard, will continue to apply the recognition and measurement principles of Accounting Principles Board Opinion No. 25 to its stock options. This statement requires footnote disclosure of the pro forma impact on net income and earnings per share of the compensation cost that would have been recognized if the fair value of all stock-based awards was recorded in the income statement. (See Note 6).

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." As specified by these Statements, the Company will apply these Statements beginning in fiscal 1999 and reclassify its financial statements for earlier periods for comparative purposes.

SFAS No. 130 requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. As a result, the Company will report the effects of foreign currency translation gains or losses as a component of comprehensive income.

SFAS No. 131 establishes standards for the way that public business enterprises report information about operating segments in annual

financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. This Statement supersedes SFAS No. 14, "Financial Reporting for Segments of a Business Enterprise," but retains the requirement to report information about major customers. It amends SFAS No. 94, "Consolidation of All Majority-Owned Subsidiaries," to remove the special disclosure requirements for previously unconsolidated subsidiaries. At this point, the Company has not fully determined the impact of the adoption of SFAS No. 131.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements in order for them to conform to the current presentation.

NOTE 2. CAPITALIZED SOFTWARE DEVELOPMENT COSTS

The costs capitalized and amortized for the years ended June 30, 1998, 1997 and 1996, included on the Consolidated Balance Sheets as other assets, were as follows:

(dollars in thousands)	1998	1997	1996
Annual activity			
Balance, beginning-of-year	$2,029	$1,229	$1,068
Capitalized during year	694	1,399	422
Amortized during year	(860)	(599)	(261)
Balance, end-of year	$1,863	$2,029	$1,229

NOTE 3. ACCOUNTS RECEIVABLE

Total accounts receivable are net of allowance for doubtful accounts of $3,637,000 and $2,988,000 at June 30, 1998 and 1997, respectively. Accounts receivable are classified as follows:

(dollars in thousands)	1998	1997
Billed receivables		
Billed receivables	$76,458	$52,159
Billable receivables at end of period	7,537	7,135
Total billed receivables	83,995	59,294
Unbilled receivables		
Unbilled pending receipt of contractual documents authorizing billing	9,195	11,374
Unbilled retainages and fee withholds expected to be billed within the next 12 months	155	175
	9,350	11,549
Unbilled retainages and fee withholds expected to be billed beyond the next 12 months	6,075	7,015
Total unbilled receivables	15,425	18,564
Total accounts receivable	$99,420	$77,858

NOTE 4. NOTE PAYABLE

On July 26, 1996, the Company entered into an unsecured credit agreement, which permitted borrowings of up to $50 million with sublimits on amounts borrowed for acquisitions, dividends paid, and repurchases of Company stock. Interest was calculated based on the Prime Rate, London Interbank Offered Rate ("LIBOR"), or Federal Funds Rate, dependent upon borrowing options and financial covenant thresholds. In October 1997, the Company increased its borrowing capacity to $70 million and extended the term to July 1, 2000, with all other significant terms remaining the same. On June 19, 1998, the Company replaced this existing facility with a new five-year unsecured credit agreement, which permits borrowings of up to $125 million with a sublimit of $55 million of borrowings in the first year for acquisitions and a sublimit of

$40 million per year in subsequent years. The new agreement permits similar borrowing options and interest rates as those offered by the prior agreement. The current LIBOR option is at the applicable period rate plus 0.50%. In addition, the Company pays a fee on the unused portion of the facility. The interest rate and unused portion fee are determined quarterly based on debt leverage ratio thresholds. The agreement contains customary financial covenants and ratios related to debt leverage, fixed charges coverage and net worth. Under these agreements, the Company had outstanding borrowings of $29,800,000 and $8,800,000 at June 30, 1998 and 1997, respectively. The applicable interest rate was 6.2% and 6.7% at June 30, 1998 and 1997, respectively.

NOTE 5. INCOME TAXES

The provision (benefit) for income taxes for the years ended June 30, consists of:

(dollars in thousands)	1998	1997	1996
Current			
Federal	$7,986	$2,911	$3,668
State and local	649	675	802
Foreign	1,025	597	1,024
Total current	9,660	4,183	5,494
Deferred			
Federal	(2,261)	2,050	693
State and local	(731)	454	152
Foreign	94	27	(34)
Total deferred	(2,898)	2,531	811
Total	$6,762	$6,714	$6,305

A reconciliation of the income tax provision (benefit) and the amount computed by applying the statutory U.S. income tax rate of 35% for the year ended June 30, 1998 and 34% for the years ended June 30, 1997 and 1996 is as follows:

(dollars in thousands)	1998	1997	1996
Amount at statutory U.S. rate	$6,467	$5,707	$5,493
State taxes, net of U.S. income tax benefit	96	745	630
Taxes on foreign earnings at different effective rates	(65)	29	(25)
Other expenses not deductible for tax purposes	29	74	130
Non-deductible goodwill	235	209	147
Foreign and research & development tax credits	-	(50)	(70)
Total	$6,762	$6,714	$6,305
Effective tax rate	36.6%	40.0%	39.0%

The tax effects of temporary differences that give rise to significant deferred tax assets and deferred tax liabilities at June 30, 1998 and 1997, are as follows:

(dollars in thousands)	1998	1997
Deferred tax assets		
Accrued vacation and other expenses	$4,111	$ 3,973
Deferred rent	602	968
Foreign transactions	67	114
Pension	307	280
Depreciation	141	-
Other	143	270
Total deferred tax assets	5,371	5,605
Deferred tax liabilities		
Unbilled revenues	(5,361)	(8,651)
Depreciation	-	(205)
Capitalized software	(486)	(562)
Goodwill	(326)	-
Other	(560)	(588)
Total deferred tax liabilities	(6,733)	(10,006)
Net deferred tax liability	$(1,362)	$(4,401)

NOTE 6. STOCK INCENTIVE PLAN

Until September 24, 1996, the Company had an Employee Stock Incentive Plan (the "1986 Plan") which provided that key employees could be awarded some or all of the following: non-qualified stock options; incentive stock options within the meaning of the Internal Revenue Code; and common stock. At the Company's 1996 Annual Meeting on November 14, 1996, the shareholders approved a new Stock Incentive Plan (the "1996 Plan"). The 1996 Plan permits award of incentive and non-qualified stock options, stock appreciation rights and stock grants to officers and employees of the Company, and limits total awards and stock grants to 1,500,000 shares over the life of the Plan. Options for 480,000 shares have been granted under the 1996 Plan through June 30, 1998 and, with certain exceptions, are exercisable for a period of ten years from the date of grant.

The period during which each option is exercisable is determined when granted, but in no event could options granted under the 1986 Plan be exercisable after December 31, 2000. Pursuant to the terms of the 1986 Plan, no grants of options or other securities could be made after September 24, 1996. The stock option exercise prices were at fair market value on the date of grant. Accordingly, no compensation cost has been recognized for incentive stock option grants. Had compensation cost for the Company's stock-based compensation plans been determined based on the fair value at grant dates for awards under those plans consistent with the method of accounting under SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

(dollars in thousands, except per share)	1998	1997	1996
Net income			
As reported	$11,715	$10,072	$ 9,851
Pro forma	10,991	9,681	9,683
Diluted earnings per share			
As reported	$ 1.05	$ 0.92	$ 0.92
Pro forma	0.99	0.88	0.90

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

Year ended June 30,	1998	1997	1996
Dividend yield	0%	0%	0%
Volatility rate	26.6%	47.0%	40.0%
Discount rate	5.7%	6.2%	6.6%
Expected term (years)	5	3	3

Stock option activity and price information regarding the Plans follows:

(shares in thousands)	Number of shares	Exercise Price	Weighted Average Exercise Price
Shares under option, July 1, 1995	1,414	$ 1.87 - $10.88	$ 3.63
Granted	198	10.00 - 14.44	12.10
Exercised	(187)	1.87 - 5.94	3.15
Forfeited	(46)	3.50 - 13.44	8.42
Shares under option, June 30, 1996	1,379	1.87 - 14.44	4.75
Granted	188	11.06 - 19.31	16.74
Exercised	(460)	1.87 - 13.44	3.60
Forfeited	(46)	1.87 - 14.63	10.34
Shares under option, June 30, 1997	1,061	1.87 - 19.31	7.18
Granted	366	15.00 - 20.28	19.19
Exercised	(156)	1.87 - 14.63	5.98
Forfeited	(88)	2.59 - 19.31	14.76
Shares under option, June 30, 1998	1,183	1.87 - 20.28	10.14

(shares in thousands)	Number of shares	Exercise Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Shares under option, June 30, 1998	409	$ 1.87 - $ 2.81	$ 1.99	2.5
	123	2.87 - 3.50	3.15	2.5
	26	5.94 - 8.56	6.75	2.5
	224	10.00 - 15.00	13.00	2.5
	401	15.50 - 20.28	19.24	8.4
	1,183			
Options exercisable, June 30, 1998	409	1.87 - 2.81	1.99	
	123	2.87 - 3.50	3.15	
	26	5.94 - 8.56	6.75	
	84	10.88 - 15.50	12.65	
	4	17.44 - 19.31	18.46	
	646			

Exercise prices are based on the market price of the Company's common stock at the date the options are granted.

NOTE 7. PENSION PLAN

Through June 30, 1997, the Company had a defined contribution pension plan (the "CACI Pension Plan") covering approximately 85% of its employees. The Company contributed to a trust an amount equal to 2.5% of a qualified employee's total fiscal year cash compensation, up to $35,000 per year, and an amount equal to 5% of cash compensation in excess of $35,000 per year, subject to maximum contribution limitations.

Effective July 1, 1997, the Company merged its pension plan and voluntary
401(k) Plan into a single plan, the CACI $MART Plan. Current Company employees who participated in the prior CACI Pension Plan became fully vested in their prior Company contributions on June 30, 1997, and their balances were transferred to the new CACI $MART Plan.

Effective July 1, 1997, employees became immediately eligible to join the CACI $MART Plan, a defined contribution plan. Employees can contribute up to 15% (subject to certain statutory limitations) of their total compensation. The Company matches contributions equal to 50% of the amount of the employee's contribution, up to 6% of the employee's total fiscal year cash compensation. In addition, the Company may also

make discretionary profit sharing contributions to the plan. Employer contributions vest to the employees according to a vesting schedule entitling full vesting after five years of employment. The CACI $MART PLAN is qualified under the Internal Revenue Code, as determined by the Internal Revenue Service.

The Company maintains a non-qualified, unfunded plan, the CACI, Inc. Group Retirement Plan (the "Retirement Plan"), which is available to certain executives participating in the CACI $MART PLAN whose annual compensation exceeds the statutory limit of the qualified plan. The Company contributes 5% of such excess eligible compensation to the Plan. Each participant is fully vested immediately in his account balance.

The total consolidated expense for pension and Company contribution to the 401(k) plan and the Retirement Plan for the years ended June 30, 1998, 1997 and 1996 was $3,847,000, $3,117,000 and $2,745,000, respectively. The Company funds the costs of the qualified plans as they accrue.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The Company conducts its operations from leased office facilities, all of which are classified as operating leases and expire primarily over the next five years.

The following is a schedule of future minimum lease payments under non-cancelable leases with a remaining term greater than one year as of June 30, 1998:

Year ended June 30,	Operating Leases (dollars in thousands)
1999	$11,977
2000	8,944
2001	7,401
2002	4,593
2003	524
Later years	27
Total minimum lease payments	$33,466

Operating leases reflect the minimum lease payments net of a minimal amount of sub-lease income. Rent expense incurred from operating leases for the years ended June 30, 1998, 1997 and 1996 amounted to $10,780,000, $9,778,000 and $8,938,000 respectively.

The Company is involved in various lawsuits, claims and administrative proceedings arising in the normal course of business. Management is of the opinion that any liability or loss associated with such matters will not have a material adverse effect on the Company's operations and liquidity.

NOTE 9. BUSINESS ACQUISITIONS

All of the acquisitions made by the Company have been accounted for using the purchase method of accounting, and the results of their operations have been included in the Company's statements of operations since the dates of acquisition. The purchase price for each acquisition was allocated to the acquired assets and liabilities using the respective fair value at the date of acquisition. The excess, if any, has been recorded as goodwill and is being amortized on a straight-line basis over 15 to 20 years. All of the acquisitions have been primarily financed through borrowings under the Company's existing line of credit.

1998 Acquisitions

On November 1, 1997, the Company acquired the business and net assets of Government Systems, Inc. ("GSI"), a subsidiary of Infonet Services Corporation, a multinational communications network provider, for $28 million in cash plus an additional $5.5 million to pay off existing debt of GSI. GSI delivers international communications and network-related services to meet the networking needs of the U.S. Government and other organizations. These services include full implementation of dedicated private networks, integrated public and private networks, network installation, maintenance, and management and operations. Its major customers include the DoD, the Federal Aviation Administration, and Globalstar Limited Partnership. GSI's annual revenues, prior to acquisition, approximated $36 million. Approximately $23.5 million of the purchase consideration has been allocated to goodwill, based upon the excess of the purchase price over the estimated fair value of net assets acquired, and will be amortized over 20 years. The preliminary purchase price allocation may change during the year of acquisition as additional information concerning the net asset valuation is obtained. GSI contributed revenues of $22.3 million for the period from November 1, 1997 to June 30, 1998.

Also in November 1997, CACI Limited in London, England, acquired all of the share capital of AnaData Limited ("AnaData"). The total consideration paid was $1.9 million in cash, which was financed from CACI Limited's working capital. AnaData develops and markets software products for managing marketing databases, and historically generated annual revenues of approximately $2.5 million. Based upon

estimated fair values, $1 million of the purchase consideration has been allocated to software intellectual property rights which will be amortized over five years, and $0.4 million has been allocated to goodwill which will be amortized over 10 years. Since its acquisition, the operations of AnaData have generated $1.5 million in revenue through June 30, 1998.

1997 Acquisitions

On October 1, 1996, the Company acquired the business and most of the assets of Sunset Resources, Inc. ("SRI") for $6.2 million. SRI is an engineering and information technology firm that has focused on logistics and engineering support services to the Air Force and is an expert in electronic commerce. The excess of the purchase price over the fair value of the net assets acquired was $4.6 million.

On January 3, 1997, the Company acquired the business of Sales Performance Analysis Limited ("SPA"), including the intellectual property rights to certain software products, for $2.6 million. SPA develops and markets a unique range of specialized software products and services that enable companies to make more effective use of their field forces through the optimal configuration of sales and services territories. SPA's annual revenues prior to acquisition were $2.0 million. The excess of the purchase price over the fair value of the net assets acquired is $0.7 million. In addition, $1.7 million was allocated to software which will be amortized over five years.

On May 14, 1997, the Company purchased the Simulation Engineering Division of Statistica, Inc., which specializes in computer modeling and simulation. The purchase price of $0.8 million was based on the value of the tangible assets acquired. Consequently, there was no goodwill recorded with this purchase.

1996 Acquisitions

Effective September 1, 1995, the Company purchased all of the outstanding stock of Automated Sciences Group, Inc. ("ASG") for $4.9 million, payable in cash over four years. ASG provides information technology, engineering and environmental science services to DoD and the Department of Energy. $500,000 of the purchase price has been held back against the collection of certain receivables.

Effective January 1, 1996, the Company purchased all of the outstanding stock of IMS Technologies, Inc. ("IMS") for $6.5 million in cash payable at closing, plus $1.5 million in cash payable to the four founders of IMS over three years. IMS provides a wide range of computer systems development and systems integration for a variety of applications. These services are provided to DoD as well as Department of Justice, Department of Education, Internal Revenue Service, and Drug Enforcement Agency.

The goodwill, the amount that the purchase prices exceeded the fair values of the net assets acquired, was $2.8 million for ASG and $3.1 million for IMS.

Pro Forma Information (unaudited)

The following unaudited pro forma combined condensed statements of operations set forth the consolidated results of operations of the Company for the years ended June 30, 1998, 1997 and 1996, as if the above mentioned acquisitions had occurred at the beginning of both the year of acquisition and the year prior to the acquisition. This unaudited pro forma information does not purport to be indicative of the actual financial position or the results that would actually have occurred if the combinations had been in effect for the years ended June 30:

(dollars in thousands, except per share amounts)	1998	1997	1996
Revenues	$338,013	$316,300	$265,234
Net income	11,440	9,389	9,335
Diluted earnings per share	1.03	0.85	0.87

Subsequent Events

On July 30, 1998, the Company executed a definitive purchase agreement to acquire 100% of the outstanding common shares of QuesTech, Inc. ("QuesTech") for $18.375 per share in cash, which was subsequently reduced to $18.13 per share. QuesTech is an information technology company that specializes in the development and application of information technology for government and industry. The company provides a broad spectrum of scientific, engineering, and management services in electronics, software engineering, systems engineering, and many other advanced information technology fields. The total value of the acquisition, including the assumption of debt, is expected to be approximately $42 million. The transaction is expected to be completed in late October or November 1998.

On August 13, 1998, the Company purchased the assets of Information Decision Systems ("IDS") for $2.6 million in cash and, therefore, the transaction will be recorded under purchase accounting standards. It is estimated that the excess of the purchase price over the fair value of net assets acquired will approximate $2.4 million. IDS provides Internet access to demographic site information and is expected to enhance the current market share of the Company's Marketing Systems Group in the industry. The acquisition was financed with available bank borrowings.

NOTE 10. SEGMENT INFORMATION

Revenues from contracts with the U.S. Government for 1998, 1997 and 1996 amounted to approximately $251,000,000 (77% of revenues), $211,000,000 (77% of revenues) and $190,000,000 (78% of revenues), respectively.

(dollars in thousands)	1998	1997	1996
Revenues			
United States	$285,756	$239,645	$215,311
Foreign	40,354	33,339	29,304
Combined	$326,110	$272,984	$244,615
Income before income taxes			
United States	$ 14,740	$ 14,853	$ 13,518
Foreign	3,737	1,933	2,638
Combined	$ 18,477	$ 16,786	$ 16,156
Net income			
United States	$ 9,212	$ 8,837	$ 8,215
Foreign	2,503	1,235	1,636
Combined	$ 11,715	$ 10,072	$ 9,851
Identifiable assets			
United States	$134,431	$ 97,847	$ 86,762
Foreign	28,629	21,013	16,546
Combined	$163,060	$118,860	$103,308

NOTE 11. COMMON STOCK DATA (UNAUDITED)

The Company's stock trades on the Nasdaq National Market System. The ranges of high and low sales prices for each quarter during fiscal years 1998 and 1997 are as follows:

	1998		1997	
Quarter	High	Low	High	Low
First	$20	$13 7/8	$18 5/8	$12
Second	20 5/8	16	22	16
Third	22 1/4	18 1/2	23 5/8	16 1/8
Fourth	22 1/4	17 1/8	19 5/8	13 5/8

NOTE 12. QUARTERLY FINANCIAL DATA (UNAUDITED)

The quarterly financial data is unaudited, but in the opinion of management, all adjustments necessary for a fair presentation of the selected data for these interim periods have been included.

The 1997 fourth quarter net income included a $0.6 million loss resulting from certain productivity problems experienced in a fixed unit price document management contract in the litigation support business. This loss included a $0.3 million net income provision to cover anticipated losses in 1998, before productivity improvements were fully effected to return the activity to a profitable condition.

(dollars in thousands, except per share)	First	Second	Third	Fourth
Year ended June 30, 1998				
Revenues	$70,669	$79,145	$85,239	$91,057
Costs and expenses	66,746	74,514	80,520	85,853
Income taxes	1,491	1,759	1,613	1,899
Net income	2,432	2,872	3,106	3,305
Diluted earnings per share	0.22	0.26	0.28	0.29
Year ended June 30, 1997				
Revenues	$62,734	$68,821	$70,907	$70,522
Costs and expenses	58,200	64,039	66,016	67,943
Income taxes	1,836	1,936	1,912	1,030
Net income	2,698	2,846	2,979	1,549
Diluted earnings per share	0.25	0.26	0.27	0.14

CACI INTERNATIONAL INC AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR YEARS ENDED JUNE 30, 1998, 1997 AND 1996

(dollars in thousands)

Description	Balance at Beginning of Period	Additions Charged to Cost	Other Add (Deduct)	Deductions	Balance at End of Period
1998					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	$2,988	$820	$(381)	$210	$3,637
1997					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	$2,245	$1,006	$(590)	$327	$2,988
1996					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	$1,415	$382	$(103)	$551	$2,245

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 22nd day of September, 1998.

CACI International Inc

By: /s/
J. P. London
Chairman of the Board,
Chief Executive Officer
and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in capacities and on the dates indicated.

Signature	*Title*	*Date*
/s/ *J. P. London*	*Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)*	*September 22, 1998*
/s/ *James P. Allen*	*Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)*	*September 22, 1998*
/s/ *Richard L. Leatherwood*	*Director*	*September 16, 1998*
/s/ *Larry L. Pfirman*	*Director*	*September 15, 1998*
/s/ *Warren R. Phillips*	*Director*	*September 15, 1998*
/s/ *Charles P. Revoile*	*Director*	*September 14, 1998*
/s/ *William B. Snyder*	*Director*	*September 16, 1998*
/s/ *Richard P. Sullivan*	*Director*	*September 15, 1998*
/s/ *John M. Toups*	*Director*	*September 19, 1998*

EXHIBIT 3.1

CERTIFICATE OF INCORPORATION
of
CACI International Inc <FN1>

THE UNDERSIGNED INCORPORATOR(S), in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the General Corporation Law of the State of Delaware, do hereby certify as follows:

FIRST: The name of the corporation is CACI International Inc <FN1>

SECOND: The registered office of the corporation is to be located at 306 South State Street, in the City of Dover in the County of Kent, in the State of Delaware, 19901. The name of its registered agent at the address is the United States Corporation Company.

THIRD: The objects and purposes of the corporation are to engage in any lawful business and activity for which a corporation may be organized under the General Corporation Law of Delaware, including:

The corporation shall have the power to do any and all acts and things necessary or useful to its business and purposes, and shall have the general, specific and incidental powers and privileges granted to it by statute, including:

To enter into and perform contracts; to acquire and exploit patents, trademarks, rights of all kinds and related and other interests; to acquire, use, deal in and with, encumber and dispose of real and personal property without limitation including obligations and/or securities; to borrow and lend money for its corporate purposes; to invest and reinvest its funds, and take, hold and deal with real and personal property as security for the payment of funds loaned or invested, or otherwise; to vary any investment or employment of capital of the corporation from time to time; to create and/or participate with other corporations and entities for the performance of all undertakings, as partner, joint venturer, or otherwise, and to share or delegate control therewith or thereto.

To pay pensions and establish and carry out pension, profit sharing, stock option, stock purchase, stock bonus, retirement, benefit, incentive or commission plans, trust and provisions for any or all of its directors, officers and employees, and for any or all of the directors, officers and employees of its subsidiaries; and to provide insurance for its benefit on the life of any of its directors, officers or employees, or on the life of a stockholder for the purpose of acquiring at his death shares of its stock owned by such stockholder.

To invest in and merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stocks, bonds or other obligations are held or in any manner guaranteed by this corporation, or in which this corporation is in any way interested; to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other securities; and while owner of any such stock, bonds or other securities to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; and to guarantee the indebtedness of others and the payment of dividends upon any stock, the principal or interest or both of any bonds or other securities, and the performance of any contracts.

To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms, partnerships or individuals, and to do every other act and thing incidental or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, to the extent permitted by the laws of Delaware under which this corporation is organized, and to do all such acts and things and conduct business and have one or more offices and exercise its corporate powers in any and all places, without limitation.

FOURTH: <FN2> The total number of shares of all classes which the corporation shall have the authority to issue is Ninety Million (90,000,000), consisting of Forty Million (40,000,000) shares of Class A Common Stock of the par value of $0.10 per share (hereinafter called "Class A Common Stock"), Forty Million (40,000,000) shares of Class B Common Stock of the par value of $0.10 per share (hereinafter called "Class B Common Stock"), and Ten Million (10,000,000) shares of preferred stock (hereinafter called "Preferred Stock") of the par value of $0.10 per share.

The Board of Directors is authorized, subject to limitations prescribed by law and the provisions of this Article FOURTH, to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each series and the qualifications, limitations or restrictions thereof.

The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) The number of shares constituting that series and the distinctive designation of that series;

(b) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(c) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(d) Whether that series shall have conversion privileges, and, if the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(e) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation, and the relative rights of priority, if any, of payment of shares of that series;

(h) Any other relative rights, preferences and limitations of that series. Dividends on outstanding shares of Preferred Stock shall be paid or declared and set apart for payment before any dividends shall be paid or declared and set apart for payment on the common shares with respect to the same dividend period.

If upon voluntary or involuntary liquidation, dissolution or winding up of the corporation, the assets available for distribution to holders of shares of Preferred Stock of all series shall be insufficient to pay such holders the full preferential amount to which they are entitled, then such assets shall be distributed ratably among the shares of all series of Preferred Stock in accordance with the respective preferential amounts (including unpaid cumulative dividends, if any) payable with respect thereto.

The powers, preferences and rights, and the qualifications, limitation and restrictions thereof, of each class of common stock, are as follows:

1. Voting

(a) While any shares of Class B Common Stock are issued and outstanding, and subject to the provisions of the following paragraph (b), at every meeting of the stockholders every holder of Class A Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Class A Common Stock standing in his name on the stock transfer records of the corporation, and every holder of Class B Common Stock shall be entitled to ten (10) votes in person or by proxy for each share of Class B Common Stock standing in his name on the stock transfer records of the corporation, provided that at every meeting of the stockholders called for the election of directors the holders of Class A Common Stock, voting separately as a class, shall be entitled to elect one-quarter (1/4) of the number of directors to be elected at such meeting. If one-quarter (1/4) of such number of directors is not a whole number, then the holders of Class A Common Stock, voting separately as a class, shall be entitled to elect the next higher whole number of directors to be elected at such meeting. The holders of Class B Common Stock voting as a class shall be entitled to elect the remaining number of directors constituting the full board. Directors elected by the holders of a Class of Common Stock, voting separately as a class, may be removed, with or without cause, only by a vote of the holders of a majority of the shares of such Class of Common Stock then outstanding, voting separately as a class. If, during the interval between annual meetings of stockholders for the election of directors, the number of directors who have been elected by the holders of either Class of Common Stock voting separately as a class shall, by reason of resignation, death or removal, be reduced, the vacancy or vacancies in the directors elected by the holders of such Class of Common Stock voting separately as a class shall be filled by a majority vote of the remaining directors representing such Class then in office, even if less than a quorum, and if not so filled within forty (40) days after the creation of such vacancy or vacancies, the Secretary of the corporation shall call a special meeting of the holders of such Class of Common Stock and such vacancy or vacancies shall be filled at such special meeting. Any director elected to fill any such vacancy by the remaining directors then in office may be removed from office by vote of the holders of a majority of the shares of the represented Class of Common Stock then outstanding, voting separately as a class.

(b) If, while any shares of Class B Common Stock are issued and outstanding, Herbert W. Karr shall cease to be a holder of Class B Common Stock, or if any "Conversion Event", as defined in subparagraph (c) of paragraph 4 below, shall occur as to Herbert W. Karr, then and in any such event (a "Change-over Event"), the number of directors which may be elected by each Class of Common Stock shall be adjusted as follows:

(i) Prior to the first annual meeting of stockholders following the first anniversary of the Changeover Event (the "Second Annual Meeting"), the holders of Class A Common Stock and Class B Common Stock shall be entitled to elect directors as provided in the preceding paragraph (a).

(ii) Commencing with the Second Annual Meeting, and prior to the annual meeting following the second anniversary of the Change-over Event (the "Third Annual Meeting"), the holders of Class B Common Stock shall be entitled to elect the largest whole number of directors which is equal to or less than five-eighths (5/8) of the full Board, and the holders of Class A Common Stock shall be entitled to elect the remaining directors.

(iii) Commencing with the Third Annual Meeting, and prior to the Conversion Date (defined hereinafter), the holders of Class B Common Stock shall be entitled to elect the largest whole number of directors which is equal to or less than one-half (1/2) of the full Board, and the holders of Class A Common Stock shall be entitled to elect the remaining directors.

(iv) At the close of business on the date (the "Conversion Date") that is sixty-one (61) days prior to the date on which the annual meeting following the third anniversary of the Changeover Event would be held in accordance with the certificate of incorporation and the by-laws of the corporation, all issued and outstanding shares of Class B Common Stock, and all shares of Class B Common Stock held in treasury, shall be deemed to be converted into an equal number of shares of Class A Common Stock, immediately and without further action; and thereafter no share of Class B Common Stock shall be issued. Commencing on the Conversion Date and continuing thereafter, the holders of Class A Common Stock shall be entitled to elect all the directors of the corporation as provided in subparagraph (d) of this paragraph 1.

(c) At any time when the number of issued and outstanding shares of Class A Common Stock is less than 10% of the aggregate number of issued and outstanding shares of Common Stock of both Class A and Class B, then the provisions of the preceding paragraphs (a) and (b) shall not be applicable to the election of directors, and all holders of Common Stock of Class A and Class B shall be entitled to vote as a single class for the election of directors, with each share of Common Stock of either class having one (1) vote. Directors elected by the holders of both Classes of Common Stock may be removed, with or without cause, only by a vote of the holders of a majority of both Classes of Common Stock voting together as a single class.

(d) If and whenever there are no shares of Class B Common Stock issued and outstanding, every holder of Class A Common Stock shall be entitled to one (1) vote on all matters, including the election of directors, for each share of Class A Common stock standing in his name on the stock transfer records of the corporation.

(e) Every reference in this certificate of incorporation to a majority or other proportion of shares of stock shall refer to such majority or other proportion of the votes of such shares of stock of any applicable class.

2. Dividends

(a) No cash dividend shall be declared or paid with respect to shares of Class B Common Stock unless a cash dividend with respect to Class A Common Stock, equal in amount per share to one hundred ten per cent (110%) of the amount per share declared with respect to the Class B Common Stock, is declared and paid for the same dividend period.

(b) In the event of any stock split, stock dividend or similar adjustment to either Class of Common Stock, the voting rights and dividend preferences of such Class shall be proportionately adjusted to maintain the voting rights and dividend rights of the two Classes of Common Stock in the same proportions as they existed immediately prior to said adjustment; provided, no such proportionate adjustment shall be made on account of the 30% stock dividend (the "Exchange Offer Dividend") described in the Form S-4 registration statement of the corporation filed with the Securities and Exchange Commission in October 1985.

(c) In the event of any stock split, stock dividend (other than the Exchange Offer Dividend) or similar adjustment to either Class of Common Stock, the Offer Price (as defined in subparagraph (b) of paragraph 4) and the conversion ratio for the conversion of Class B Common Stock into Class A Common Stock shall be equitably adjusted by the Board of Directors.

3. Restrictions on Transfer

(a) No person holding shares of Class B Common Stock (hereinafter called a "Class B Holder") may transfer, and the corporation shall not register the transfer of such shares of Class B Common Stock, whether by sale, assignment, gift, bequest, appointment or otherwise, except to a Permitted Transferee of such Class B Holder, which term shall have the following meanings:

(i) Except as provided in the following clause (ii), "Permitted Transferee" shall mean only a person who, immediately before the registration of any such Transfer, is a holder of record of one or more shares of Class B Common Stock.

(ii) With respect to shares of Class B Common Stock which are the subject of the Shareholders' Agreement dated as of December 1, 1985 among the corporation, Herbert W. Karr ("Karr"), J.P. London ("London"), and certain other holders of Class B Common Stock (the "Shareholders' Agreement"), "Permitted Transferee" shall mean a person to whom, in the opinion of counsel to the corporation, shares of Class B Common Stock may be transferred in conformity with the provisions of the Shareholders' Agreement.

(b) Notwithstanding anything to the contrary set forth herein, any Class B Holder may pledge such Holder's shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee and shall remain subject to the provisions of this paragraph 3. In the event of foreclosure or other similar action by the pledgee, or the transfer, pursuant to an attachment, lien or similar process, of Class B Common Stock to a bona fide creditor of any Class B Holder in satisfaction of an obligation owed to said creditor, such shares of Class B Common Stock must, as soon as reasonably practicable, be either (i) transferred to a Permitted Transferee of the pledger or creditor or
(ii) converted into shares of Class A Common Stock, as the pledgee or creditor may elect, in accordance with the restrictions on transfer and conversion as stated herein.

(c) Any purported transfer of shares of Class B Common Stock not permitted hereunder shall be void and of no effect, and the purported transferee shall have no rights as a stockholder of the corporation and no other rights against or with respect to the corporation. The corporation may, as a condition to the transfer or the registration of transfer of shares of Class B Common Stock to a purported Permitted Transferee, require the furnishing of such affidavits or other proof as it deems necessary to establish that such transferee is a Permitted Transferee. The

corporation may note on the certificates for shares of Class B Common Stock the restrictions on transfer and registration of transfer set forth in this paragraph 3.

4. Conversion of Class B to Class A

(a) Each share of Class B Common Stock may at any time be converted into one (1) fully paid and nonassessable share of Class A Common Stock subject to the provisions of this paragraph 4. Such right shall be exercised by the surrender to the corporation of the certificate representing such share of Class B Common Stock to be converted, at any time during normal business hours at the principal executive offices of the corporation, or if an agent for the registration of transfer of shares of Class B Common Stock is then duly appointed and acting (said agent being hereinafter called the "Transfer Agent") then at the office of the Transfer Agent, accompanied by (i) a written notice of the election by the holder thereof to convert, (ii) evidence satisfactory to the corporation's counsel of compliance with the provisions of the following paragraph (b), and (iii) (if so required by the corporation or the Transfer Agent) instruments of transfer in form satisfactory to the corporation and to the Transfer Agent, duly executed by such holder or his duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to subparagraph (i) below.

(b) No share of Class B Common Stock shall be converted to Class A Common Stock unless the holder thereof has first offered to sell that share to the other Class B Holders and to the corporation, as follows:

(i) The Class B Holder wishing to convert (the "Converting Holder") shall give to the Secretary of the corporation a written notice (the "Notice") to that effect, which Notice shall be deemed to constitute an offer to sell, to the Offerees, at the Offer Price and upon the terms and conditions hereinafter set forth, the Class B shares that the Converting Holder proposes to convert (the "Offered Shares"). As promptly as practicable after the date on which he receives the Notice (the "Date of Receipt"), and in any event not more than five (5) days after the Date of Receipt, the Secretary shall (x) establish a record date not more than sixty
(60) days prior to the Date of Receipt for purposes of determining the record holders of Class B Common Stock entitled to purchase their pro rata portion of the Offered Shares (the "Offerers"), and
(y) give written notice simultaneously to all Offerees, informing each Offeree of the Converting Holder's offer to sell to that Offeree a pro rata portion of the Offered Shares, at an "Offer Price" per share equal to the mean between the high and low prices (or, if applicable, the mean between the closing bid and asked prices) for Class A Common Stock, as reported by NASDAQ or by any national securities exchange on which the Class A Common Stock is listed, on the business day immediately preceding the Date of Receipt. Simultaneous notice shall be deemed to have been given to all Offerees on the date (the "Offer Date") on which the Secretary sends to all Offerees, by delivery in hand or by deposit in the United States mail, registered or certified and postage prepaid, addressed to each Offeree at that Offeree's address appearing in the corporation's stock records as of the applicable record date, written notice as aforesaid. For purposes of this paragraph (b), the pro rata portion of Offered Shares to be offered to each Offeree shall be determined by the proportion that the amount of shares held of record by that Offeree as of the applicable record date bears to the aggregate amount of shares held of record by all Offerees as of that record date; provided, that the Secretary may apply rounding to avoid offering fractional shares.

(ii) Each Offeree may elect to purchase any or all of the shares offered to him by giving written notice thereof to the Secretary and the Converting Holder within fifteen (15) days after the Offer Date. Any shares so purchased shall be delivered against tender of the Offer Price in cash, certified or bank check, or wire transfer within seven (7) days after the giving of notice by the Offeree.

(iii) Commencing on the sixteenth (16th) day after the Offer Date, and continuing for fifteen (15) days until and including the thirtieth day after the Offer Date, the Notice given by the Converting Holder pursuant to the preceding clause (i) shall be deemed to constitute an offer to sell to the corporation at the Offer Price any and all of the Offered Shares that have been offered to but not accepted by the Offerees. The corporation may elect to purchase any or all of the Offered Shares within the fifteen (15) days described in the immediately preceding sentence.

(iv) Any shares of Class B Common Stock which have been offered to and have not been purchased by the Offerees and the Company, as provided in the preceding clauses (i)-(iii), shall be converted to shares of Class A Common Stock.

(c) Except as provided in clause (ii) of this paragraph (c), upon the occurrence of a Conversion Event, as defined in clause (i) of this paragraph (c), any and all shares of Class B Common Stock held by the shareholder as to whom the Conversion Event occurs shall be converted immediately and without further action into an equal number of shares of Class A Common Stock. Thereafter, any outstanding certificate representing any shares of Class B Common Stock so converted shall represent the corresponding shares of Class A Common Stock; and any holder of any such certificate shall be entitled to surrender it for issue of a certificate or certificates for shares of Class A Common Stock as provided in subparagraph (f) of this paragraph 4.

(i) A "Conversion Event" shall mean, as to any holder of Class B Common Stock, his death, or his permanent mental incapacity, or his being adjudged bankrupt, or the appointment of any receiver, agent, or other custodian of all or any part of his property that may include Class B Common Stock under any insolvency or similar law of any jurisdiction.

(ii) A Conversion Event shall not result in automatic conversion of any shares under this paragraph (c) if, before the occurrence of the Conversion Event, the affected shareholder had entered into a binding agreement to sell those shares (including a binding option to sell) to any Permitted Transferee, as defined in paragraph 3 of this Article FOURTH; provided, however, that if the sale is not consummated within sixty (60) days after the Conversion Event, then the shares shall be automatically converted as provided in this paragraph (c).

(d) If and whenever the aggregate amount of shares of Class B Common Stock held of record by Karr and London, plus the number of shares

of Class B Common Stock which Karr or London has a present or future right to acquire pursuant to a binding agreement, is less than twenty-five percent (25%) of the total amount of issued and outstanding Class B Common Stock, plus the number of shares of Class B Common Stock which Karr or London has a present or future right to acquire pursuant to a binding agreement, then all issued and outstanding shares of Class B Common Stock, and all shares of Class B Common Stock held in treasury, shall be deemed to be converted into an equal number of shares of Class A Common Stock, immediately and without further action; and thereafter no share of Class B Common Stock shall be issued.

(e) The Board of Directors may at any time declare that each issued and outstanding share of Class B Common Stock is converted into 1.3 shares of Class A Common Stock, immediately and without further action, if the Board determines that such action is in the best interest of the stockholders generally. Without limiting the generality of the foregoing, the Board may do so if it determines that the existence of classes of shares with unequal voting power substantially impairs the maintenance of a public market for shares of Class A Common Stock. The Board may make reasonable provision to avoid conversion into fractional shares, including without limitation provision for rounding of conversion amounts, or for payment of cash in lieu of fractional shares.

(f) As promptly as practicable after the surrender for conversion of a certificate representing shares of Class B Common Stock, the corporation will deliver or cause to be delivered at the office of the Transfer Agent to or upon the written order of the holder of such certificate, a certificate or certificates representing the number of full shares of Class A Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate representing shares of Class B Common Stock, and all rights of the holder of such shares as such holder shall cease at such time and the person or persons in whose name or names the certificate or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock at such time; provided, however, that any such surrender and payment on any date when the stock transfer books of the corporation shall be closed shall constitute the person or persons in whose name or names the certificate or certificates representing shares of Class A Common Stock are to be issued as the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such stock transfer books are open.

(g) No adjustments in respect of dividends shall be made upon the conversion of any share of Class B Common Stock; provided, however, that if a share shall be converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class B Common Stock but prior to such payment, the registered holder of such share at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such share on the payment date notwithstanding the conversion thereof or the corporation's default in payment of the dividend due on the payment date.

(h) The corporation covenants that it will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding shares of Class B Common Stock, such number of shares of Class A Common Stock as shall be issuable upon the conversion of all such outstanding shares; provided, that nothing contained herein shall be construed to preclude the corporation from satisfying its obligations in respect of the conversion of the outstanding shares of Class B Common Stock by delivery of purchased shares of Class A Common Stock which are held in the treasury of the corporation. The corporation covenants that if any shares of Class A Common Stock, required to be reserved for purposes of conversion hereunder, require registration with or approval of any governmental authority under any federal or state law before such shares of Common Stock may be issued upon conversion the corporation will cause such shares to be duly registered or approved, as the case may be. The corporation will endeavor to list the shares of Class A Common Stock required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding Class A Common Stock is listed at the time of such delivery. The corporation covenants that all shares of Class A Common Stock which shall be issued upon conversion of the shares of Class B Common Stock will, upon issue, be fully paid and nonassessable and not subject to any preemptive rights.

(i) The issuance of certificates for shares of Class A Common Stock upon conversion of shares of Class B Common Stock, shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the holder of the share or shares of Class B Common Stock converted, the person or persons requesting the issuance thereof shall pay to the corporation the any tax which may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the corporation that such tax has been paid.

5. Further Issue

(a) Except as otherwise provided in this paragraph 5, the directors may at any time and from time to time issue shares of authorized and unissued Class A Common Stock and Class B Common Stock upon such terms and for such lawful consideration as they may determine.

(b) If any Change-over Event (as defined in subparagraph (b) of paragraph 1 above) shall occur, then and thereafter no share of Class B Common Stock shall be issued except pursuant to the conversion or exercise, as the case may be, of convertible securities, options, warrants or other rights to acquire such shares that were outstanding or in existence on the date of the Change-over Event.

(c) After the completion of the contemplated exchange offer described in the Form S-4 registration statement of the corporation filed with the Securities and Exchange Commission in October 1985, no share of authorized and unissued Class B Common Stock, no security convertible into or exchangeable for shares of Class B Common Stock, and no option, warrant or other right to subscribe for, purchase or otherwise acquire shares of Class B Common Stock shall be issued except with the approval of the holders of a majority of the issued and outstanding shares of Class B Common Stock, voting as a class. The issuance of Class B Common Stock pursuant to the conversion or exercise of convertible securities, options, warrants or other rights previously approved in accordance with the preceding sentence shall not require additional approval at the time of such conversion or exercise.

(d) After the completion of the contemplated exchange offer described in the Form S-4 registration statement of the corporation filed with the Securities and Exchange Commission in October 1985, no more than five million (5,000,000) shares of authorized and unissued Class B Common Stock shall be issued except with the approval of the holders of a majority of the issued and outstanding shares of Class A Common Stock, voting as a class; provided, however, that the following shares of Class B Common Stock shall not be included in the limitation provided in this paragraph (d):

(i) previously issued and reacquired shares sold by the Company from treasury shares;

(ii) shares issued and sold in exchange for a like number of shares of Class A Common Stock or issued and sold for a consideration per share not less than the fair market value of Class A Common Stock, determined as the mean between the high and low prices (or, if applicable, the mean between the closing bid and asked prices) for Class A Common Stock, as reported by NASDAQ or by any national securities exchange on which Class A Common Stock is listed, on the business day of the issuance;

(iii) shares issued in connection with a stock split, stock dividend, or other similar pro rata distribution made on substantially equivalent terms to holders of Class A Common Stock and holders of Class B Common Stock; and

(iv) shares issued pursuant to the terms of an employee stock incentive plan or similar employee benefit plan of the corporation.

6. No Preemptive Rights. No stockholder of the corporation shall be entitled as of right to subscribe for, purchase, or take any part of any new or additional issue of stock of any class.

7. Liquidation. Except as otherwise provided in this Article FOURTH, shares of Common Stock of Class A and Class B shall be equal in right. Without limiting the generality of the foregoing, all shares of Common Stock of Class A and Class B shall be entitled to share equally and ratably in the proceeds of any liquidation of the corporation.

FIFTH: The corporation is to have perpetual existence.

SIXTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever and they shall not be personally liable for the payment of the corporation's debts except as they may be liable by reason of their own conduct or acts.

SEVENTH: The following provisions are inserted for the management of the business and for the conduct of the affairs the corporation, and for further definition, limitation and regulation of the powers of the corporation and of its directors and stockholders.

(1) The number of directors comprising the Board of Directors of the corporation shall be such as from time to time shall be fixed by or in the manner provided in the by-laws, but shall not be less than five (5). Election of directors need not be by ballot unless the by-laws so provide.

(2) The Board of Directors shall have the power, unless and to the extent that the Board may from time to time by Resolution relinquish or modify the power, without the assent or vote of the stockholders:

(a) To make, alter, amend, change, add to, or repeal the by-laws of the corporation, except any by-law which pursuant to law or the by-laws of the corporation is required to be adopted, amended or repealed by the stockholders; to fix and vary the amount of capital of the corporation to be reserved for any proper purpose; to authorize and cause to be executed mortgages and liens upon all or any part of the property of the corporation; to determine the use and disposition of any surplus or net profits; and to fix the times for the declaration and payments of dividends, and

(b) To determine from time to time whether, and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation (other than the stock ledger) or any of them shall be open to the inspection of the stockholders.

(3) The Board of Directors in its discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the stock of the corporation which is represented in person or by proxy at such meeting and entitled to vote thereat (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and binding upon the corporation and upon all stockholders as though it had been approved or ratified by every stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

(4) No contract or transaction between this corporation an one or more of its directors or officers, or between this corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason or solely because the director or officer is present at or participates in the meeting of the board of committee thereon which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if the contract or transaction is fair as to the corporation and/or if the material facts relating thereto are disclosed to and/or known by the directors and/or stockholders and/or approved thereby, pursuant to Section 144 of Title 8 of the Delaware Code.

(5) In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the Board of Directors is hereby

empowered to exercise all such powers and to do all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this certificate, and to any by-laws from time to time made by the stockholders; provided, however, that no by-law so made shall invalidate any prior act of the Board which would have been valid if such by-law had not been made.

3/ (6) No director of the Board of Directors of the corporation shall be held liable for the monetary damages for breach of fiduciary duty while acting as a director on behalf of the corporation, except for:

1. Breach of the director's duty of loyalty to the corporation or its stockholders;

2. Acts or omissions not committed in good faith;

3. Acts or omissions which involve intentional misconduct or a knowing violation of law;
4. Acts taken in violation of Section 174 of Title 8, Delaware Code, as amended from time to time (dealing with the distribution of dividends and stock repurchases); or

5. Transactions from which the director derived an improper personal benefit.

<FN3> EIGHTH: The corporation may, to the full extent permitted by
Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify or advance the expenses of all persons whom it may indemnify or for whom it may advance expenses.

NINTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of
Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

TENTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power.

ELEVENTH: The name(s) and addresses of the incorporator(s) are as follows:

Charles P. Revoile 1815 North Fort Myer Drive Arlington, Virginia 22209

The powers of the incorporators shall terminate upon filing the certificate of incorporation, and the name and address of each person who is to serve as a director until the first annual meeting of stockholders or until his or their successors are elected and qualify, shall be as follows:

Joseph S. Annino	1815 North Fort Myer Drive Arlington, Virginia 22209
J. H. Berkson	1815 North Fort Myer Drive Arlington, Virginia 22209
Herbert W. Karr	1815 North Fort Myer Drive Arlington, Virginia 22209
J. P. London	1815 North Fort Myer Drive Arlington, Virginia 22209
Robert F. McIntosh	1815 North Fort Myer Drive Arlington, Virginia 22209
Warren R. Phillips	1815 North Fort Myer Drive Arlington, Virginia 22209
John DeNigris	1815 North Fort Myer Drive Arlington, Virginia 22209

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 3rd day of October, 1985.

/s/ (L.S.)

Charles P. Revoile

<FN1> Name changed from CACI Worldwide, Inc. to CACI, Inc. by Amendment to the Certificate of Incorporation dated June 2, 1986; and from CACI, Inc. to CACI International Inc by Amendment to the Certificate of Incorporation dated December 23, 1986.

<FN2> Article FOURTH amended December 23, 1986.

<FN3> Article SEVENTH (6) and Article EIGHTH amended December 23, 1986.

EXHIBIT 3.2

Revised as of March 19, 1998

BY-LAWS
of
CACI International Inc
(A Delaware Corporation)

ARTICLE I. OFFICES

Section 1. PRINCIPAL OFFICE

The principal office for the transaction of business of the Corporation is hereby fixed and located at 1100 North Glebe Road, County of Arlington, Commonwealth of Virginia. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said County.

Section 2. OTHER OFFICES

Branch of subordinate offices may at any time be established by the Board of Directors at any place or places where the Corporation is qualified to do business.

ARTICLE II. MEETING OF SHAREHOLDERS

Section 1. PLACE OF MEETINGS

All annual and other meetings of shareholders shall be held either at the principal office of the Corporation or at any other place which may be designated either by the Board of Directors pursuant to authority hereafter granted to said Board, or by written consent of all shareholders entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Corporation.

Section 2. ANNUAL MEETING

The annual meetings of the shareholders shall be held on the third Friday of October of each year, at 9:00 o'clock a.m. or at such other date and time, not inconsistent with Delaware law, as may be approved by the Board of Directors; provided, however, should said day fall upon a legal holiday, then such annual meeting of shareholders shall be held at the same time and place on the next day thereafter which is not a legal holiday.

Written notice of each annual meeting shall be given to each shareholder entitled to vote thereat, either personally or by mail or other means of written communication, charges prepaid, addressed to such shareholder at his or her address appearing on the books of the Corporation or given by him or her to the Corporation for the purpose of notice. If a shareholder gives no address, notice shall be deemed to have been given him or her if sent by mail or other means of written communication addressed to the place where the principal office of the Corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. All such notices shall be sent to such shareholder entitled thereto, not less than twenty (20) days nor more than sixty (60) days before such annual meeting, and shall specify the place, day, and hour of such meeting, and shall also state the general nature of the business or proposal to be considered or acted upon at such meeting before action may be taken at such meeting on:

(a) A proposal to sell, lease, convey, exchange, transfer, or otherwise dispose of all or substantially all of the property or assets of the Corporation, except under Section 272 of the Delaware General Corporation Law, and except for a transfer to a wholly-owned subsidiary;

(b) A proposal to merge or consolidate with another corporation, domestic or foreign;

(c) A proposal to reduce the stated capital of the Corporation;

(d) A proposal to amend the Articles of Incorporation;

(e) A proposal to wind up and dissolve the Corporation; and

(f) A proposal to adopt a plan of distribution of shares, securities, or any consideration other than money in the process of winding up.

Advance Notice of Stockholder Proposed Business at Annual Meeting:
At an Annual Meeting of the Shareholders, only such business shall be conducted as shall have been properly brought before the meeting:

(a) As specified in the notice of the meeting (or any supplement thereto);

(b) By, or at the direction of, the Board of Directors; or

(c) Otherwise properly brought before the meeting by a stockholder.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the offices of the Secretary of the Corporation, not less than one hundred fifty (150) days prior to the first anniversary of the date of the last Annual Meeting of stockholders of the Corporation. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder purposes to bring before the Annual Meeting (i) a brief description of the business desired to be brought before the Annual Meeting and reasons for conducting such business at the Annual Meeting; (ii) the name and record address of the stockholder proposing such business; (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder; and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at the Annual Meeting except in accordance with the procedures set forth in this section, provided, however, that nothing in this section shall be deemed to preclude discussion by any stockholder of any business properly brought before the Annual Meeting in accordance with said procedure.

The Chairman of the Annual Meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this section, and if he should so determine, he shall so declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

Section 3. SPECIAL MEETINGS

Special Meetings of the shareholders, for any propose or purposes whatsoever, may be called any time by the Chairman of the Board, the President, or by the Board of Directors. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of shareholders.

Notices of any special meeting shall specify, in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by vote of a majority of the shares, the holders of which are either present in person or by proxy, but in the absence of a quorum, no other business may be transacted at such meeting.

When any shareholders' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. In all other instances of adjournment, it shall not be necessary to give any notice of an adjournment or of the business to be transacted ad an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 5. ENTRY OF NOTICE

Whenever any shareholder entitled to vote has been absent from any meeting or shareholders, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be sufficient evidence that due notice of such meeting was given to such shareholder, as required by the law and the By-laws of the Corporation.

Section 6. VOTING

At all meetings of shareholders, every shareholder entitled to vote shall have the right to vote in person or by proxy the number of shares standing in his or her name on the stock records of the Corporation. Such vote may be given viva voce or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a shareholder at any election and before the voting begins.

Section 7. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. When a quorum is present at any meeting, a majority in interest of the stock represented thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of law, the Articles of Incorporation, or these By-laws, a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 8. CONSENT OF ABSENTEES

The proceedings and transactions of any meeting of shareholders, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the shareholders entitled to vote, not present in person or by proxy, sign a written waiver of notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made apart of the minutes of the meeting.

Section 9. ACTION WITHOUT MEETING

Any action, which under the provisions of Section 228 of the Delaware General Corporation Law may be taken at a meeting of the shareholders, may be taken without a meeting if authorized by a writing signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at any meeting at which all shares entitled to vote thereon were present and voted, and filed with the Secretary of the Corporation.

Section 10. PROXIES

Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his or her duly authorized agent and filed with the Secretary of the Corporation; provided, that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the shareholder executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

ARTICLE III. DIRECTORS

Section 1. POWERS

Subject to limitations of the Articles of Incorporation, of the By-laws, and particularly Article II, Section 6 of these By-laws, and Section 141 of the Delaware General Corporation Law as to action to be authorized or approved by the shareholders, and subject to the duties of directors as prescribed by the By-laws, all corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to-wit:

First: To select and remove all other officers, agent, and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or by By-laws, fix their compensation, and require from them security for faithful service.

Second: To conduct, manage, and control the affairs and business of the Corporation, and to make such rules and regulations therefore not inconsistent with law, the Articles of Incorporation or the By-laws, as they may deem best.

Third: To change the principal office for the transaction of the business of the Corporation from one location to another within the same county as provided in Article I, Section 1 hereof; to fix and locate from time to time, one or more branch or subsidiary offices of the Corporation within or without the State of Delaware as provided in Article I, Section 2 hereof; to designate any place within or without the State of Delaware for the holding of any shareholders' meetings; and to adopt, make, and use a corporate seal, and to prescribe the form of certificates of stock, and to alter the form of such seal and of such stock certificates from time to time, as in their judgment they may deem best; provided, such seal and such certificates shall at all times comply with the provisions of the law.

Fourth: To authorize the issuance of stock of the Corporation from time to time, upon such terms as may be lawful, in consideration of money paid, labor done, or services actually rendered, debts or securities canceled, or tangible or intangible property actually received, or in case of shares issued as a dividend, against amounts transferred from surplus to stated capital.

Fifth: To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities therefore.

Sixth: To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to declare dividends and to adopt, amend, or repeal By-laws. The executive committee shall be composed of two or more directors.

Seventh: To impose such restriction(s) on the transfer of the stock of the Corporation, specifically including by way of illustration only, and not of limitation, e.g., the requirement that such stock not be transferable on the books of the Corporation except with a simultaneous transfer of the stock of any other corporation(s), as is or may be permitted by law, and to remove any such restriction(s) thereon.

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS

The authorized number of directors of the Corporation shall be a number between five (5) and nine (9) inclusive, as the Board of Directors from time to time by vote of a supermajority (a majority plus one) may set, until changed by amendment of the Articles of Incorporation or by a by-law amending this Section 2, Article III of these By-laws duly adopted by the vote or written assents of the shareholders entitled to exercise fifty-one percent (51%) of the voting power of the Corporation.

Section 3. ELECTION AND TERM OF OFFICE

The directors shall be elected at each annual meeting of the shareholders, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of the shareholders held for that purpose. All directors shall hold office at the pleasure of the shareholders or until their respective successors are elected. The shareholders may at any time, either at a regular or special meeting, remove any director and elect his or her successor.

NOMINATIONS OF DIRECTORS

Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of candidates for election as directors of the Corporation at any meeting of shareholders may be made (a) by, or at the direction of, a majority of the Board of Directors, or (b) by any shareholder of that class of stock entitled to vote for the election of directors of that class of stock. Only persons nominated in accordance with the procedures set forth in this section shall be eligible for election as directors. Such nomination, other than those made by, or at the direction of the board, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the office of the Secretary of the Corporation not less than sixty (60) days prior to the first anniversary of the date of the last meeting of stockholders of the Corporation called for the election of directors. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director: (i) the name, age, business address, and residence address of the person; (ii) the principal occupation of the employment of the person; (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person; and (iv) any other information related to the person that is required to be disclosed in solicitations for proxies for elections of directors pursuant to Rule 14a under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice: (i) the name and record address of the stockholder, and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting that the defective nomination shall be disregarded.

Section 4. VACANCIES

Vacancies in the Board of Directors may be filled by the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his or her successor is elected at an annual or special meeting of the shareholders.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any annual or special meeting of the shareholders at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

The shareholders may elect a director of directors at any time to fill any vacancy or vacancies of a director tendered to take effect at a future time; the Board or the shareholders shall have the power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

Section 5. PLACE OF MEETING

Regular meetings of the Board of Directors shall be held at any place within or without the State of Delaware which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 6. ORGANIZATION MEETING

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.
Section 7. OTHER REGULAR MEETINGS

Other regular meetings of the Board of Directors shall be held on the third Friday of January, April, and July of each year at 9:00 o'clock a.m. thereof; provided, however, that should said day fall upon a legal holiday, then said meeting shall be held at the same time and place on the next day thereafter which is not a legal holiday. Notice of regular meetings of the Board of Directors is required and shall be given in the same manner as notice of special meetings of the Board of Directors.

Section 8. SPECIAL MEETINGS

Special meetings of the board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board, by the Executive Committee, or by any three (3) members of the Board.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by mail or other form or written communication, charges prepaid, addressed to him or her at his or her address as it is shown upon the records of the Corporation, or if it is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the U.S. Mail or delivered to the telegraph company in the place in which the principal office of the Corporation is located at least one hundred twenty (120) hours prior to the time of holding of the meeting. In case such notice is delivered personally as above provided, it shall be so delivered at least forty eight (48) hours prior to the time of the holding of the meeting. Such mailing, telegraphing, or delivery as above provided, shall be due, timely, legal and personal notice to such director.

NOTICE FOR A PARTICULAR SPECIFIED ACTION

Notwithstanding the above requirements for regular or special meetings, the Chairman of the Board, the Chief Executive Officer, or any two directors may require at least thirty (30) calendar days notice of any action, by writing delivered to the Secretary of the Corporation, before or during any regular or special meeting, and if such notice is given, no vote or written consent may be taken upon such action until the passage of such time (at another special meeting or by written consent). Provided, however, if eighty percent (80%) of the directors agree to waive such notice, the meeting or vote of consent on such action shall proceed without the requirement for extended notice.

Section 9. NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 10. ENTRY OF NOTICE

Whenever any director has been absent from any special meeting of the Board of Directors, any entry in the minutes as to the effect that notice has been duly given shall be sufficient evidence that due notice of such special meeting was given to such director, as required by law and the By-laws of the Corporation.

Section 11. WAIVER OF NOTICE

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if either before or after the meeting, each of the directors not present, signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. QUORUM

A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. With the exception of Section 4 of this Article, an action of the directors shall be regarded as the act of the Board of Directors only if a majority of the entire authorized number of directors shall vote affirmatively on such action.

Section 13. ADJOURNMENT

A quorum of the directors may adjourn any directors' meeting to meet again at a stated time, place, and hour; provided, however, that in the absence of a quorum, the directors present at any directors' meeting, either regular or special, may adjourn from time to time, until the time fixed for the next regular meeting of the Board.

Section 14. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law or these By-laws may be taken without a meeting if all members shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors, any certificate or other document filed under any provisions of the Delaware General Corporation Law which related to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the By-laws

authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

Section 15. FEES AND COMPENSATION

Directors shall not receive any stated salary for their services as directors, but, by resolution of the Board of Directors, a fixed fee, with or without expenses of attending, may be allowed for attendance at each meeting. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore.

ARTICLE IV. OFFICERS

Section 1. OFFICERS

The officers of the Corporation shall be:

1. Chairman of the Board
2. President
3. Vice President
4. Secretary
5. Treasurer

The Corporation may also have, at the discretion of the Board of Directors, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Officers other than the President and Chairman of the Board of Directors need not be directors. One person may hold two or more offices, except those of President and Secretary.

Section 2. ELECTIONS

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 3 or 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his or her office at the pleasure of the Board of Directors, who may, either at a regular or special meeting, remove any such officers and appoint his or her successor.

Section 3. SUBORDINATE OFFICERS, ETC

The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the By-laws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at a regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. VACANCIES

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the By-laws for regular appointments to such office.

Section 6. CHAIRMAN OF THE BOARD

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board of Directors as prescribed by the By-laws.

Section 7. PRESIDENT

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general

supervision, direction, and control of the business and affairs of the Corporation. He shall preside at all meetings of the shareholders, and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall be ex-officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by the By-laws.

Section 8. VICE PRESIDENT

In the absence or disability of the President, the Chairman of the Board or in the event of his absence or disability, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all restrictions upon, the President. Absence and disability are defined as follows: absence is physical absence from the Corporation's principal place of business and unreachable by telephone for a period of forty-eight (48) hours. Disability is the inability of the President to perform his duties on an ongoing basis.

The Senior Vice President and each other Vice President shall have such other powers and perform such duties as are authorized by the laws of Delaware and as are delegated to them respectively from time to time by the board of Directors or the By-laws.

Section 9. SECRETARY

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those directors and shareholders present, the names of those present at the directors' meeting, the number of shares present or represented at shareholders' meetings, and the proceedings thereof.

The Secretary shall keep or cause to be kept, at the principal office or at the office of the Corporation's transfer agent, a share register or a duplicate share register showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and the date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give or cause to be given, notice of all meetings of shareholders and the Board of Directors, as required by the By-laws or by law to be given, and he or she shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-laws.

Section 10. TREASURER

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital surplus, and surplus shares. Any surplus, including earned surplus, paid-in surplus, and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all times be open for inspection by any director.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors and shall render to the President and directors, when they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-laws.

ARTICLE V. MISCELLANEOUS

Section 1. RECORD DATE AND CLOSING STOCK BOOKS

A. Fixed Date

The Board of Directors may fix a time, in the future, not less than twenty (20) nor more than sixty (60) days preceding the date of any meeting of shareholders, and not more than sixty (60) days preceding the date fixed for the payment of any dividend or distribution, or for the allotment of rights, or when any change, conversion, or exchange of shares shall go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting, or entitled to receive any such dividend or distribution, or any such allotment of rights, or to exercise the rights in respect to any such change, conversion, or exchange of shares, and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, or to receive such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after any record date fixed as aforesaid. The Board of Directors may close the books of the Corporation against transfer of shares during the whole, or any part of any such period.

B. No Fixed Date

As an alternative to an action taken under Subsection A of this

Section 1 of Article V, if no record date has been or is fixed for the purpose of determining shareholders entitled to receive payment of any dividend, the record date for such purpose shall be at the close of business of the date on which the Board of Directors adopts the resolution relating thereto.

Section 2. INSPECTION OF CORPORATE RECORDS

The share register or duplicate share register, the books of account, and minutes of proceedings of the shareholders and directors shall be open to inspection upon the written demand of any shareholder or the holder of a voting trust certificate, at any reasonable time, and for a purpose reasonably related to his or her interests as a shareholder, and shall be exhibited at any time when required by the demand of ten percent (10%) of the shares represented at any shareholders' meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a shareholders' meeting shall be made in writing upon the President, Secretary, or Assistant Secretary of the Corporation.

Section 3. CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 4. CONTRACTS, ETC.: HOW EXECUTED

The Board of Directors, except as the By-laws or Articles of Incorporation otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or agreement or to pledge its credit to render it liable for any purpose or to any amount.

Section 5. ANNUAL REPORTS

The Board of Directors shall cause an annual report or statement to be sent to the shareholders of this Corporation not later than one hundred and twenty (120) days after the close of the fiscal or calendar year.

Section 6. CERTIFICATES OF STOCK

A certificate or certificates for shares of the capital stock of the Corporation shall be issued to each shareholder when any such shares are fully paid up. All such certificates shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary. Such certificates may be paired with, deemed to represent, and subjected to restrictions on transfer without simultaneous transfer of, certificates for: (a) shares of stock of any other corporation(s), (b) beneficial interests in such shares,
(c) interests in voting trust(s), or (d) other kinds of interests in any other kind of entity. Certificates for shares may be issued prior to full payment thereof, under such restrictions and for such purposes as the Board of Directors or the By-laws may provide; provided, however, that any such certificate so issued prior to full payment shall state the amount remaining unpaid and the terms of payment thereof.

Section 7. REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The President or any Vice President and the Secretary or Assistant Secretary of this Corporation are authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers to vote or represent on behalf of this Corporation any and all shares held by this Corporation or corporations, may be exercised either by such officers in person or by any person authorized to do so by proxy or power of attorney.

Section 8. INSPECTION OF BY-LAWS

The Corporation shall keep in its principal office for the transaction of business the original or a copy of the By-laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the shareholders at all reasonable times during business hours.

Section 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, shall be indemnified and held harmless to the fullest extent legally permissible under the General Corporation Law of the state of Delaware from time to time against all expense, liability, and loss (including attorneys' fees, judgments, fines, and, if approved by the Board of Directors, amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith.

If authorized by the Board of Directors, expenses incurred in connection with the defense of any civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay such amounts if it shall be ultimately determined that he is not entitled to be indemnified by the Corporation.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled. Payments pursuant to the Corporation's indemnification of any person hereunder shall be reduced by any amounts such person may collect as indemnification under any policy of insurance purchased and maintained on his behalf by this or any other Corporation.

ARTICLE VI. AMENDMENTS

Section 1. POWER OF SHAREHOLDERS

New By-laws may be adopted or these By-laws may be amended or repealed by the vote of shareholders entitled to exercise fifty-one percent (51%) of the voting power of the Corporation or by the written assent of such shareholders.

Section 2. POWERS OF DIRECTORS

Subject to the right of shareholders as provided in Section 1 of this Article VI to adopt, amend, or repeal By-laws, By-laws other than a By-law or amendment thereof changing the authorized number of directors may be adopted, amended, or repealed by the Board of Directors.

ARTICLE VII. SEAL

The Corporation shall have a common seal, and shall have inscribed thereon the name of the Corporation, the year of its incorporation, and the word Delaware.

Exhibit 11

CACI INTERNATIONAL INC AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

Year ended June 30,	1998	1997	1996
Net income	$11,715	$10,072	$ 9,851
Average shares outstanding during the period	10,779	10,504	10,140
Dilutive effect of stock options after application of treasury stock method	374	501	576
Average number of shares and equivalent shares outstanding during the period	11,153	11,005	10,716
Basic earnings per share	$ 1.09	$ 0.96	$ 0.97
Diluted earnings per share	$ 1.05	$ 0.92	$ 0.92

Exhibit 21

SIGNIFICANT SUBSIDIARIES

The significant subsidiaries of the Registrant, as defined in Section 1-02(w) of regulation S-X, are:

CACI, Inc., a Delaware Corporation

CACI, INC.-FEDERAL, a Delaware Corporation (also does business as "CACI Marketing Systems","Information Decision Systems", "Demographic on Call" and "CACI IDS")

CACI, INC.-COMMERCIAL, a Delaware Corporation

CACI Products Company, a Delaware Corporation

CACI Products Company California, a California Corporation

American Legal Services Corp., a Delaware Corporation (also does business as "CACI Advanced Legal Systems" and "CACI Legal Systems")

CACI Field Services, Inc., a Delaware Corporation

CACI N.V., a Netherlands Corporation

CACI Limited, a United Kingdom Corporation

Automated Sciences Group, Inc., a Delaware Corporation

IMS Services, Incorporated, a Maryland Corporation

Integrated Microcomputer Systems, Inc., a Maryland Corporation

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-K FOR FY1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

PERIOD TYPE	YEAR
FISCAL YEAR END	JUN 30 1998
PERIOD END	JUN 30 1998
CASH	2,081,000
SECURITIES	0
RECEIVABLES	103,057,000
ALLOWANCES	(3,637,000)
INVENTORY	0
CURRENT ASSETS	102,380,000
PP&E	36,361,000
DEPRECIATION	(25,010,000)
TOTAL ASSETS	163,060,000
CURRENT LIABILITIES	47,502,000
BONDS	29,800,000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	1,437,000
OTHER SE	82,890,000
TOTAL LIABILITY AND EQUITY	163,060,000
SALES	0
TOTAL REVENUES	326,110,000
CGS	0
TOTAL COSTS	177,584,000
OTHER EXPENSES	126,871,000
LOSS PROVISION	1,341,000
INTEREST EXPENSE	1,837,000
INCOME PRETAX	18,477,000
INCOME TAX	6,762,000
INCOME CONTINUING	11,715,000
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	11,715,000
EPS PRIMARY	$1.09 [1]
EPS DILUTED	$1.05 [1]

[1] Earnings per share data has been presented on the financial statements in accordance with the nomenclature in SFAS #128: earnings per share - basic $1.09 earnings per share - diluted $1.05

Exhibit 10.8 $125,000,000

REVOLVING CREDIT AGREEMENT

between

CACI International Inc,
as Borrower

and

The Lenders From Time
To Time a Party Hereto,
as Lenders

with

NationsBank, N.A.,
as Agent

Dated as of June 19, 1998

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REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT, dated as of June 19, 1998 as amended, modified, or otherwise supplemented from time to time (this "Agreement"), is between (i) CACI INTERNATIONAL INC, a Delaware corporation (the "Borrower"),
(ii) THE LENDERS FROM TIME TO TIME A PARTY TO THIS AGREEMENT (each, a"Lender" and, collectively, the "Lenders") and (iii) NATIONSBANK, N.A., a national banking association and in its separate capacity as agent for the Lenders hereunder (in such capacity, the "Agent").

W I T N E S S E T H:

WHEREAS, the Borrower has requested the Lenders to make available to the Borrower a revolving line of credit for loans and letters of credit up to an aggregate of $125,000,000 for the purpose of financing stock or asset acquisitions and the general working capital requirements of the Borrower and its subsidiaries (the "Permitted Uses"), in each case upon the terms and conditions set forth herein;
WHEREAS, as collateral security for the obligations of the Borrower under this Agreement, and to induce the Lenders and the Agent to enter into this Agreement, (i) the Borrower and the Agent are, contemporaneously with the execution and delivery hereof, entering into the Notarial Deed, pursuant to which the Borrower has pledged to the Agent a first priority security interest in the CACI Limited Shares and (ii) CACI N.V. and the Agent are, contemporaneously with the execution and delivery hereof, entering into, the Pledge Agreement, pursuant to which CACI N.V. has pledged to the Agent the CACI Limited Shares;
WHEREAS, to induce the Lenders and the Agent to enter into this Agreement, the Agent, on behalf of itself and the Lenders, and the Guarantors are entering into the Subsidiary Guarantee; WHEREAS, the Lenders are willing to make the loans and issue the letters of credit to the Borrower, and the Agent is willing to act as "Agent", upon the terms and subject to the conditions and provisions set forth herein; and
NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the Borrower, the Lenders and the Agent hereby agree as follows:
ARTICLE I DEFINITIONS AND ACCOUNTING TERMS
Section 1.1 DEFINITIONS. As used in this Agreement, and unless the context requires a different meaning, the following terms shall have the meanings indicated (such meanings to be, when appropriate, equally applicable to both the singular and plural forms of the terms defined):
"ABR" means, for any day, the greater of (x) the Bank Prime Rate as in effect on such day and (y) the Federal Funds Rate as in effect on such day plus one-half of 1%.
"ABR Period" means any 30-day period in respect of which interest accrues on the Revolving Loans bearing interest at the ABR.
"Accumulated Funding Deficiency" has the meaning ascribed to that term in ERISA Section 302.
"Acquisition Consideration" has the meaning specified in Section 6.2(e)(i) of this Agreement.
"Administrative Fee " has the meaning specified in Section 3.7(b) of this Agreement.
"Administrative Fee Letter" shall have the meaning specified in Section 3.7(b) hereof, and shall include any amendment, modification or supplement thereof.
"Affected Advance" has the meaning specified in Section 3.8(d) of this Agreement.
"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" or "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to vote 10% or more of the securities having voting power for the election of directors of such Person or otherwise to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.
"Agent" has the meaning specified in the preamble of this Agreement and shall include any successor Agent appointed pursuant to Section 8.7 hereof.
"Agent Lending Office" or "Lending Office of the Agent" means the Agent's offices at NationsBank, N.A., Corporate Credit Services, care of Angela Berry, NC1-001-15-04, 100 North Tryon Street, Charlotte, North Carolina 28255-0001, or such other office in the United States of America of Agent as it may from time to time designate to the Borrower or the Lenders by written notice.
"Agreement" shall have the meaning specified in the preamble hereof. "Applicable L/C Margin" means, for any period, in the event the Funded Debt to EBITDA ratio calculated pursuant to Section 6.1(e) hereof is (a) less than or equal to 1.00 to 1.00, then 0.375%, (b) greater than 1.00 to 1.00 but less than or equal to 1.50 to 1.00, then 0.50%, (c) greater than 1.50 to 1.00 but less than 2.00 to 1.00, then 0.625%, (d) greater than 2.00 to 1.00 but less than 2.50 to 1.00, then 0.75%, and (e) greater than 2.50 to 1.00, then 1.0%.
"Applicable LIBOR Rate" means, for any period, in the event the Funded Debt to EBITDA ratio calculated pursuant to Section 6.1(e) hereof is (a) less than or equal to 1.00 to 1.00, LIBOR plus 0.375%, (b) greater than 1.00 to 1.00 but less than or equal to 1.50 to 1.00, LIBOR plus 0.50%, (c) greater than 1.50 to 1.00 but less than 2.00 to 1.00, LIBOR plus 0.625%, (d) greater than 2.00 to 1.00 but less than 2.50 to 1.00, LIBOR plus 0.75%, and (e) greater than 2.50 to 1.00, LIBOR plus 1.0%.
"Applicable Swing Line Rate" means, for any period, in the event the Funded Debt to EBITDA ratio calculated pursuant to Section 6.1(e) hereof is
(a) less than or equal to 1.00 to 1.00, LIBOR (based on a LIBOR Period of 30 days) plus 0.55%, (b) greater than 1.00 to 1.00 but less than or equal to 1.50 to 1.00, LIBOR (based on a LIBOR Period of 30 days) plus 0.65%, (c) greater than 1.50 to 1.00 but less than or equal to 2.00 to 1.00, LIBOR (based on a LIBOR Period of 30 days) plus 0.75%, (d) greater than 2.00 to 1.00 but less than or equal to 2.50 to 1.00, LIBOR (based on a LIBOR Period of 30 days) plus 0.85%, and (e) greater than 2.50 to 1.00, LIBOR (based on a LIBOR Period of 30 days) plus 1.05%.
"Authorized Officer" means any of the Chief Executive Officer, Chief Financial Officer or Treasurer of any Person which is a corporation, partnership, or other business organization.
"Bank Prime Rate" means, for any period, a fluctuating interest rate per annum equal to the rate of interest publicly announced by the Agent as its prime rate in effect from time to time (which rate may not be the lowest rate of interest charged by the Agent to commercial borrowers).
"Bankruptcy Code" shall mean Title 11 of the United States Code or any similar or successor federal law for the relief of debtors, as the same may be amended from time to time.

"Benefit Plan" means any employee benefit plan (including a Multiemployer Benefit Plan), the funding requirements of which (under ERISA Section 302 or
Section 412 of the Code) are, or at any time within six years immediately preceding the time in question were, in whole or in part, the responsibility of the Borrower or an ERISA Affiliate.
"Borrower" has the meaning specified in the preamble of this Agreement. "Borrower Account" means the bank account of the Borrower maintained with the Agent for general purposes and assigned the account number designated by the Agent in writing to the Borrower.
"Borrowing Notice" has the meaning specified in Section 2.2(a) of this Agreement.
"Breakage Period" has the meaning specified in Section 3.9 of this Agreement.
"Business Day" means any day on which commercial banks are open for business (and not required or authorized by law to close) in Fairfax County, Virginia, and Charlotte, North Carolina.
"CACI Limited" shall mean CACI Limited, a United Kingdom corporation and, except as otherwise permitted by the proviso contained in Section 6.1(q) hereof, an indirect, wholly-owned subsidiary of the Borrower.
"CACI Limited Shares" means the issued and outstanding shares of capital stock of CACI Limited pledged by CACI N.V. to the Agent under the Pledge Agreement.
"CACI N.V." shall mean CACI N.V., a corporation organized under the laws of The Netherlands and, except as otherwise permitted by the proviso contained in Section 6.1(q) hereof, an indirect, wholly-owned subsidiary of the Borrower.
"CACI N.V. Shares" means the issued and outstanding shares of capital stock of CACI N.V. pledged by the Borrower to the Agent under the Notarial Deed.
"Capital Expenditures" shall mean all expenditures classified as capital expenditures in accordance with GAAP.
"Capital Lease" of any Person shall mean any lease of any property (whether real, personal or mixed) by such Person (as lessee or guarantor or other surety) which would, in accordance with GAAP, be required to be classified and accounted for as a capital lease on a balance sheet of such Person.
"Cash Equivalents" shall mean securities or other instruments of the type described in (A) clauses (i) and (ii) of the definition of Permitted Investment provided such obligations have a maturity of not more than twelve
(12) months from the date purchased, (B) clause (iii) of the definition of Permitted Investment provided such instruments have a maturity of not more than 270 days from the date purchased, and (C) clause (v) of the definition of Permitted Investment provided such commercial paper has a maturity of not greater than six (6) months from the date purchased. "Cash Flow" shall mean, for any period of determination, the sum of a Person's earnings before interest, taxes, depreciation, amortization, lease and rental expenses less Capital Expenditures, as determined in accordance with GAAP. "Change in Control" means one or more of the following events:
(a) if any Person (including a person as defined in Section
3(a)(9), Section 13(d) or Section 14(d) of the Exchange Act) is or becomes the owner or beneficial owner, directly or indirectly, of securities of the Borrower representing fifty percent (50%) or more of the combined voting power of the Borrower's then outstanding securities (the term "beneficial owner" as used herein shall include but not be limited to any person with the attributes or interests described in Rule 13d-3 (as now in effect or as amended) promulgated under the Exchange Act); or
(b) (i) the shareholders of the Borrower approve one or more mergers, consolidations or combinations of the Borrower with any other corporations or entities which, if consummated prior to the Maturity Date, would result in (A) the voting securities of the Borrower outstanding the day following the Effective Date (together with any voting securities issued by the Borrower permitted under Section 6.2(c) herein) representing less than 50% of the combined voting power of the voting securities of the Borrower or such surviving entity immediately after consummation of any such merger, consolidation or combination, or (B) after giving effect to such merger, consolidation or combination, a change in the person holding the Office of Chief Executive Officer, President, Chief Operating Officer or Chief Financial Officer of the Borrower relative to the person holding such respective office immediately prior to giving effect to such merger, consolidation or combination, or (ii) the shareholders of the Borrower approve a plan of liquidation of the Borrower or an agreement for the sale, disposition or transfer by the Borrower of all or substantially all the assets of the Borrower and its Consolidated Subsidiaries. "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor Federal statute. "Commitment" shall mean, with respect to each Lender's commitment to make Revolving Loans and to issue (or participate in the issuance of) Standby Letters of Credit, the aggregate Dollar amount set forth on Schedule I hereto opposite such Lender's name under the heading "Commitment" or assigned to it in accordance with Section 9.8(c), as such amount may be reduced or otherwise adjusted from time to time in accordance with the provisions of this Agreement. "Consolidated Cash Flow" means, as computed at any time and from time to time, the sum of the Borrower's and its Subsidiaries' earnings before interest, taxes, depreciation, amortization, lease and rental expenses less Capital Expenditures, as determined in accordance with GAAP. "Consolidated Fixed Charges" means, as computed at any time and from time to time, the sum of the Borrower's and its Subsidiaries' cash interest paid, lease and rental expenses, dividends paid, declared or accumulated on any class of capital stock and payments of principal due (during the period as to which such computation relates) under any Indebtedness, as determined in accordance with GAAP. "Consolidated Net Income" shall mean, for any period, the consolidated net income of the Borrower and its Subsidiaries for any period, as determined in accordance with GAAP.
"Consolidated Net Worth" means, as computed at any time and from time to time, the excess of Consolidated Total Assets over Consolidated Total Liabilities. "Consolidated Subsidiary" means with respect to any Person, at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements as of such time. "Consolidated Total Assets" means all assets of the Borrower and its Subsidiaries, computed at any time and from time to time on a consolidated basis, which would be classified, in accordance with GAAP, as total assets of a corporation conducting a business the same as, or similar in nature to, the business conducted by the Borrower and its Subsidiaries. "Consolidated Total Liabilities" means all liabilities of the Borrower and its Subsidiaries, computed at any time and from time to time on a consolidated basis, which would be classified, in accordance with GAAP, as total liabilities of a corporation conducting a business the same as, or similar in nature to, the business conducted by the Borrower and its Subsidiaries. "Credit Agreement Related Claim" means any claim (whether civil, criminal or administrative and whether sounding in tort, contract or otherwise) in any way arising out of, related to, or connected with, this Agreement or any other Loan Document or the relationships established hereunder or thereunder. "Default Rate" means the rate of interest applicable under Section 3.3 of this Agreement from time to time. "Dollars", "U.S.$" and the sign "$" mean such coin or currency of the United States of America as at the time shall constitute legal tender for the payment of public and private debts. "Domestic Subsidiary" shall mean any Subsidiary that is created under the laws of any State of the United States of America or the District of Columbia. "Drawing" has the meaning specified in Section 2.3(e) of this Agreement. "EBITDA" means, as at the end of any Fiscal Quarter, all of the Borrower's and its Subsidiaries' earnings before interest, taxes, depreciation and

amortization for such fiscal quarter and the immediately preceding three fiscal quarters, as determined in accordance with GAAP. For the avoidance of doubt, EBITDA shall be computed based on a rolling four quarter basis. "Effective Date" has the meaning specified in Section 4.1 of this Agreement. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time. "ERISA Affiliate" means any Person, including a Subsidiary or other Affiliate, that is a member of any group of organizations within the meaning of Code Sections 414(b), (c), (m) or (o) of which Borrower is a member. "Event of Default" has the meaning specified in Section 7.1 of this Agreement. "Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor Federal statute. "Facility Amount" shall mean $125,000,000.00. "Federal Funds Rate" means, for any day, the rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (x) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day and (y) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as determined by the Agent Lender. "Fee Payment Date" means (x) in the case of the Unused Portion Fee, the first Business Day following the end of any Fiscal Quarter (or part thereof), and (y) in the case of the Administrative Fee and the Fronting Fee, the first Business Day following each annual anniversary of the Effective Date. "Fiscal Quarter" means the quarter, during any Fiscal Year, ending March 31, June 30, September 30 and December 31. "Fiscal Year" has the meaning specified in Section 6.1(a) of this Agreement. "Fixed Charge Coverage Ratio" means the ratio of Consolidated Cash Flow to Consolidated Fixed Charges. "Foreign Subsidiary" shall mean any Subsidiary that is not created or organized under the laws of any State of the United States of America or the District of Columbia.

"Form 8-K" means Form 8-K of the Exchange Act. "Form 10-K" means Form 10-K of the Exchange Act. "Form 10-Q" means Form 10-Q of the Exchange Act.

"Fronting Fee" shall have the meaning specified in Section 2.3(b) hereof. "Funded Debt" means, as of any date of determination, the sum of all Indebtedness.

"Funding Date" shall mean the date on which any loan shall be made by a Lender to the Borrower hereunder.

"GAAP" has the meaning specified in Section 1.2 of this Agreement. "Governmental Body" means (i) the United States of America or any State thereof or any department, agency, commission, board, bureau or instrumentality of the United States of America or any State thereof, and (ii) any quasi-governmental body, agency or authority (including any central bank) exercising regulatory authority over the Lender pursuant to applicable law in respect of the transactions contemplated by this Agreement.

"Guarantors" means those Subsidiaries who have executed the Subsidiary Guarantee on the Effective Date, or who may thereafter become a party to the Subsidiary Guarantee in accordance with the provisions hereof.

"Indebtedness" means all (i) indebtedness, obligations and liabilities now existing or hereafter arising for money borrowed by the Borrower or any Subsidiary thereof, whether or not evidenced by a note, indenture or other agreement (including, without limitation, the Revolving Notes, the Swing Line Note and the Subsidiary Guarantee), (ii) reimbursement or indemnification obligations in respect of any letter of credit issued for the account of the Borrower or any Subsidiary thereof, (iii) reimbursement or indemnification obligations in respect of any guarantee issued by or on behalf of the Borrower or any Subsidiary thereof, (iv) obligations of the Borrower or any Subsidiary thereof as lessee under any Capital Lease, (v) all amounts owing by the Borrower or any Subsidiary thereof under purchase money mortgages or other purchase money liens or conditional sales or other title retention agreements and (vi) all indebtedness secured by purchase money mortgages, liens, security interests, conditional sales or other title retention agreements upon property owned by the Borrower or any Subsidiary thereof (whether or not the Borrower or Subsidiary has assumed or become liable for the payment of such indebtedness).

"Indemnified Person" has the meaning specified in Section 9.10(b) of this Agreement.

"Initial Fiscal Quarter" has the meaning specified in Section 6.1(e). "Interest Payment Date" means (x) in the case of Revolving Loans bearing interest at the ABR, the last Business Day of the calendar month (or part thereof) in which interest accrues on such Revolving Loans, (y) in the case of LIBOR Loans, the expiration of the LIBOR Period in respect of such LIBOR Loans, and (z) in the case of any Swing Line Loans, on the last Business Day of the Swing Line Period in respect of such Swing Line Loans.

"Interest Period" means any 30-day period in respect of which interest accrues on the Revolving Loans bearing interest at the ABR.

"Issuing Lender" shall mean, initially, the Agent and, thereafter, such other Lender as from time to time shall agree to act as the issuer of the Standby Letters of Credit by notice to the Lenders, the Agent and the Borrower.

"L/C Fee" has the meaning specified in Section 2.3(b) of this Agreement. "L/C Fee Payment Date" means the first Business Day of the calendar month following each Fiscal Quarter.

"Lender" or "Lenders" have the meanings specified in the preamble of this Agreement.

"Lender Availability" shall mean, as of any date of determination and with respect to each Lender, the amount determined by deducting (x) the amount of such Lender's Pro Rata Share of the Total Outstanding Amount from (y) the amount of such Lender's Pro Rata Share of the Revolving Loan Commitment.

"LIBOR" means, with respect to any LIBOR Period, (x) the per annum interest rate (rounded upward to the nearest 1/100th of 1%) determined on the basis of the offered rates for Dollar deposits for a term comparable to such LIBOR Period and in an amount substantially equal to the outstanding amount of the Revolving Loans in respect of which such determination is made which appear on the Telerate Screen Page 3750 as of 11:00 a.m. (London time) on the day that is two LIBOR Business Days prior to the first day of such LIBOR Period, divided by (y) a number equal to 1.00 minus the LIBOR Reserve Rate.

"LIBOR Business Day" means any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London or such other Euro-dollar interbank market as may be selected by the Lender in its sole discretion.

"LIBOR Conversion" has the meaning specified in Section 3.8 of this Agreement.

"LIBOR Conversion Notice" has the meaning specified in Section 3.8 of this Agreement.

"LIBOR Loans" means the Revolving Loans which bear interest at the Applicable LIBOR Rate.

"LIBOR Period" means the one month, two month, three month or six month interest period selected by the Borrower pursuant to any LIBOR Conversion Notice.

"LIBOR Reserve Rate" means, for any day with respect to a LIBOR Loan, the maximum rate (expressed as a decimal) at which a Lender would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System, as amended from time to time (or any successor or similar regulations relating to such reserve requirements), against "Eurocurrency liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The LIBOR Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the LIBOR Reserve Rate.

"Lien" of any Person shall mean any mortgage, deed of trust, lien, pledge, adverse interest in property, charge, security interest or other encumbrance in or on, or any interest or title of any vendor, lessor, Lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease with respect to, any property or asset owned or held by such Person, or the signing or filing of any security agreement with respect to any of the foregoing authorizing any other party as the secured party thereunder to file any financing statement.
"Loan" shall mean any Revolving Loan (whether bearing interest at the ABR or Applicable LIBOR Rate) or Swing Line Loan, and "Loans" shall mean, collectively, all Revolving Loans (whether bearing interest at the ABR or Applicable LIBOR Rate) and Swing Line Loans.
"Loan Documents" means this Agreement, the Revolving Notes, the Swing Line Note, the Subsidiary Guarantee, the Notarial Deed, the Pledge Agreement and the Administrative Fee Letter.
"Mandatory Borrowing" shall have the meaning specified in Section 2.4(e) hereof.
"Maturity Date" means June 19, 2003.
"Multiemployer Plan" means any "multiemployer plan" as defined in ERISA
Section 4001(a)(3) to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding three plan years made or accrued an obligation to make contributions.
"NationsBanc Montgomery Securities LLC" means that certain affiliate of Agent which is a party to the Administrative Fee Letter.
"Notarial Deed" means that certain notarial deed of pledge of shares, dated on or about the date of the initial Loan made hereunder, by and among the Borrower, the Agent and CACI N.V., and notarized by a civil law notary officiating in Amsterdam, pursuant to which the Borrower pledged to the Agent, on behalf of the Lenders, the CACI N.V. Shares, substantially in the form of Exhibit A hereto, as the same may be amended, modified or otherwise supplemented from time to time.
"Note" means each of the Revolving Notes and the Swing Line Note. "Obligations" shall mean all now existing or hereafter arising indebtedness, obligations, liabilities and covenants of the Borrower to the Lenders or the Agent, their respective Affiliates or permitted successors and assigns or any other Indemnified Person, in each case arising under or evidenced by this Agreement or any other Loan Document, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.
"Optional Prepayment" means the optional prepayment of Revolving Loans pursuant to Section 3.6(b) hereof or the optional prepayment of Swing Line Loans pursuant to Section 2.4(f) hereof, as the context shall require.
"Permitted Investment" means each of (i) direct obligations of the United States of America, and agencies thereof; (ii) obligations fully guaranteed by the United States of America; (iii) certificates of deposit issued by, or bankers' acceptance of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000; (iv) bearer note deposits with, or certificates of deposit issued by, or promissory notes of, any subsidiary incorporated under the laws of Canada (or any province thereof) of any bank, trust company or national banking association described in clause (iii) or (vi); (v) commercial paper of companies having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) of A-1 or P-1, respectively; (vi) U.S. dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least $100,000,000, having a rating of A, its equivalent or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States of America); (vii) Canadian Treasury Bills fully hedged to U.S. dollars; (viii) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, are rated AAA or Aaa, respectively, by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such obligations at such time, by any nationally recognized rating organization in the United States of America); (ix) if such investment is to be made by the Borrower or any Subsidiary thereof not organized or created under the laws of any State of the United States of America or the District of Columbia or any territory of the United States of America, each of (A) direct obligations of the countries of France, The Federal Republic of Germany, the United Kingdom, The Netherlands or Switzerland (each, an "E.C. State") and agencies thereof, (B) obligations fully guaranteed by any E.C. State; (C) certificates of deposit issued by, or bankers' acceptance of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of any E.C. State having combined capital and surplus retained earnings of the local currency counter value of at least $100,000,000 having a rating of A, its equivalent or higher by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the relevant E.C. State); (D) commercial paper of companies having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the relevant E.C. State) equal to A-1 or P-1, respectively; (E) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, are rated A-1 or P-1, respectively, by Standard & Poor's Corporation or Moody's Investors Service, Inc., (or, if neither such organization shall rate such obligations at such time, by any nationally recognized rating organization in the relevant E.C. State); or (x) any investment provided the aggregate amount of all such investments shall not exceed $4,000,000.00. "Permitted Uses" shall have the meaning specified in the first Whereas clause hereof. "Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.
"Pledge Agreement" means that certain Pledge Agreement, dated as of June 19, 1998, between the Agent and CACI N.V., substantially in the form of Exhibit B hereto, as the same may be amended, modified or supplemented from time to time.
"Pledgor" shall mean each of the Borrower and CACI N.V.
"Potential Change In Control" means one or more of the following events:
(a) the Borrower enters into an agreement, the consummation of which would result in the occurrence of a Change In Control; or
(b) the Board of Directors of the Borrower adopts a resolution, the effect of which would result in the occurrence of a Change in Control.
"Potential Event of Default" means an event, condition or circumstance which, with the giving of notice or the lapse of time or both, would constitute an Event of Default. "Prepayment Date" has the meaning specified in the first sentence of
Section 9.3 of this Agreement. "Prohibited Transaction" shall have the meaning ascribed to such term in ERISA. "Pro Rata Share" shall mean, as of any date of determination and with respect to any Lender, a fraction (expressed as a percentage), the numerator of which shall be the amount of such Lender's Commitment and the denominator of which shall be the aggregate amount of Commitments of all Lenders, as such Commitments may be reduced or otherwise adjusted from time to time in accordance with the provisions of this Agreement; provided, however, that if all of the Commitments are terminated or reduced to zero hereunder, the Pro Rata Share shall mean, as of any date of

determination and with respect to any Lender, a fraction (expressed as a percentage), the numerator of which shall be the sum of the aggregate amount of such Lender's Revolving Loans then outstanding plus the aggregate amount of such Lender's participation in any outstanding Standby Letter of Credit and the denominator of which shall be the sum of the aggregate amount of all Revolving Loans then outstanding plus all Standby Letters of Credit then outstanding. "Regulatory Change" means any applicable law, interpretation, directive, request or guideline (whether or not having the force of law), or any change therein or in the administration or enforcement thereof, that becomes effective or is implemented or first required or expected to be complied with after the date hereof, whether the same is (i) the result of an enactment by a government or any agency or political subdivision thereof, a determination of a court or regulatory authority, or otherwise or (ii) enacted, adopted, issued or proposed before or after the date hereof, including any such that imposes, increases or modifies any tax, reserve requirement, insurance charge, special deposit requirement, assessment or capital adequacy requirement, but excluding any such that imposes, increases or modifies any income or franchise tax imposed upon any Lender by any jurisdiction (or any political subdivision thereof) in which any Lender or any office is located. "Reportable Event" means any event or condition described in ERISA
Section 4043(b), other than an event or condition with respect to which the 30-day notice requirement has been waived. "Required Lenders" shall mean, except as otherwise provided in Section 8.9(i) hereof, as of any date of determination, such Lenders whose Pro Rata Shares of the Revolving Loan Commitment, in the aggregate, are greater than sixty-six and two-thirds percent (66 2/3%); provided, however, that for so long as only two financial institutions constitute Lenders hereunder (it being understood that, solely for the purposes of determining the number of financial institutions constituting Lenders under this proviso, each financial institution, together with its Affiliates, shall constitute a single Lender), Required Lenders shall mean, except as otherwise provided in Section 8.9(i) hereof, as of any date of determination, such Lenders whose Pro Rata Shares of the Revolving Loan Commitment, in the aggregate, constitute one hundred percent (100%). "Revolving Loan" has the meaning specified in Section 2.1 of this Agreement. "Revolving Loan Commitment" shall mean the commitment of the Lenders to make Revolving Loans and issue (or participate in the issuance of) Standby Letters of Credit in an aggregate amount of up to the Facility Amount, as such amount may be reduced or otherwise adjusted from time to time in accordance with the provisions of this Agreement. "Revolving Note" means any promissory note issued to a Lender by the Borrower pursuant to this Agreement, substantially in the form (appropriately completed) of Exhibit C to this Agreement, as the same may be amended, modified or supplemented from time to time, and any other promissory note issued in exchange or substitution thereof, and "Revolving Notes" means, collectively, all such promissory notes so issued. "SEC" means the Securities and Exchange Commission or any similar Federal agency. "Securities Act" means the Securities Act of 1933, as amended, and any successor Federal statute. "Stamp Taxes" has the meaning specified in Section 9.5 of this Agreement. "Standby Letter of Credit" has the meaning specified in Section 2.3 of this Agreement. "Subsidiary" shall mean any corporation, limited liability company, partnership, trust or other entity a majority of the capital stock (or equivalent ownership or controlling interest) of which at the time outstanding, having ordinary voting power for the election of directors (or equivalent controlling interest or person), is owned by Borrower directly or indirectly, and "Subsidiaries" means, collectively, all such entities.
"Subsidiary Guarantee" means the Subsidiary Guarantee, dated as of June 19, 1998, substantially in the form of Exhibit D hereto, between the Guarantors and the Agent, as the same may be amended, modified or supplemented from time to time.
"Swing Line Lender" shall have the meaning specified in Section 2.4(a) hereof.
"Swing Line Borrowing Notice" shall have the meaning specified in Section 2.4(c) hereof.
"Swing Line Loan" shall have the meaning specified in Section 2.4(a) hereof.
"Swing Line Note" means the promissory note issued by the Borrower to NationsBank, N.A. pursuant to this Agreement in respect of the Swing Line Loans, substantially in the form (appropriately completed) of Exhibit E to this Agreement, as the same may be amended, modified or supplemented from time to time, and any other promissory note issued in exchange or substitution therefor.
"Swing Line Period" shall have the meaning specified in Section 2.4(c) hereof.
"Swing Line Subfacility" shall have the meaning specified in Section 2.4(a) hereof.
"Target" has the meaning specified in Section 6.2(e) of this Agreement. "Termination Event" means, with respect to any Benefit Plan, (i) any Reportable Event with respect to such Benefit Plan, (ii) the termination of such Benefit Plan, or the filing of a notice of intent to terminate such Benefit Plan, or the treatment of any amendment to such Benefit Plan as a termination under ERISA Section 4041(c), (iii) the institution of proceedings to terminate such Benefit Plan under ERISA Section 4042 or (iv) the appointment of a trustee to administer such Benefit Plan under ERISA Section 4042.
"Total Outstanding Amount" has the meaning specified in Section 2.1(a) of this Agreement.
"U.K. Debt" has the meaning specified in Section 4.1(iii) of this Agreement.
"Unused Portion Fee" has the meaning specified in Section 3.7(a) of this Agreement.
"Year 2000 Compliant" has the meaning specified in Section 5.13 of this Agreement.
"Year 2000 Problem" has the meaning specified in Section 5.13 of this Agreement.

Section 1.2 ACCOUNTING TERMS. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles ("GAAP") consistently applied in the United States.
Section 1.3 TIME PERIOD COMPUTATIONS. In the computation of a period of time specified in this Agreement from a specified date to a subsequent date, the word "from" means "from and including" and the words "to" and "until" mean "to but excluding".

ARTICLE II

GENERAL PROVISIONS OF REVOLVING CREDIT FACILITY

Section 2.1 THE REVOLVING LOANS.

(a) REVOLVING LOAN BORROWINGS. Subject to the terms and conditions of this Agreement, each Lender severally and not jointly agrees to make revolving loans (each individually, a "Revolving Loan" and, collectively, the "Revolving Loans") to the Borrower, at any time and from time to time on and after the Effective Date until one Business Day prior to the Maturity Date in an amount which shall not exceed such Lender's Pro Rata Share of the Revolving Loan Commitment; provided, however, that (i) the sum of the aggregate outstanding amount of all

Revolving Loans plus the aggregate outstanding amount of all Swing Line Loans plus the aggregate outstanding amount of all Standby Letters of Credit (such sum, the "Total Outstanding Amount") shall at no time exceed the Facility Amount, and (ii) the aggregate outstanding amount of all Revolving Loans made by each individual Lender pursuant to this Section 2.1 plus the aggregate outstanding amount of all Standby Letters of Credit made by the Issuing Lender and deemed made by each other Lender pursuant to Section 2.3 hereof shall at no time exceed such Lender's Pro Rata Share of the Revolving Loan Commitment. Within the limits and subject to the terms and conditions set forth in this Agreement, the Borrower may borrow pursuant to this Section 2.1 and Section 2.2 hereof, may prepay pursuant to Section 3.6(b), and reborrow under this Section 2.1 hereof.

(b) THE REVOLVING NOTES; MATURITY. The Revolving Loans made by each Lender pursuant hereto shall be evidenced by a separate Revolving Note. Each Revolving Note shall be issued on or before the Effective Date and shall bear interest for the period from the initial Funding Date thereof until paid in full on the unpaid principal amount thereof at the rate specified in Section 3.1 of this Agreement. Each Lender is hereby authorized to record in the books and records of such Lender (without making any notation in such Lender's Revolving Note or any schedule thereto) the amount and Funding Date of each Revolving Loan made by such Lender, and the amount and date of each payment or prepayment of any Revolving Loan. No failure to so record nor any error in so recording shall affect the obligations of the Borrower to repay the actual outstanding principal amount of the Revolving Loans, with interest thereon, as provided in this Agreement. The aggregate principal amount of the Revolving Loans shall be payable on the Maturity Date, unless sooner accelerated pursuant to the terms of this Agreement.

Section 2.2 REVOLVING LOAN BORROWING PROCEDURES.

(a) NOTICE OF REVOLVING BORROWING. Whenever the Borrower desires to borrow Revolving Loans under Section 2.1 hereof, the Borrower shall deliver to the Agent irrevocable written notice (each such notice, a "Borrowing Notice"), no later than 10:00 A.M. (Eastern time) on the Funding Date on a Revolving Loan bearing interest at the ABR (it being understood that the Borrower may request Revolving Loans to bear interest initially at the Applicable LIBOR Rate provided the Borrower complies with all of the provisions of Section 3.8(a) (with such modifications thereof as shall be necessary to reflect that an initial loan, rather than the conversion of an outstanding loan, is being requested, including the delivery to the Agent of a Borrowing Notice no later than 10:00 a.m. at least three (3) LIBOR Business Days prior to the first day of the LIBOR Period as to which such initial loan relates) and, to the extent applicable but without duplication, this Section 2.2(a)) specifying (i) that the Borrower wishes to effect Revolving Loans, (ii) the amount of the Revolving Loans thereby requested (which shall not be less than $500,000 and shall be in multiples of $100,000), (iii) the requested Funding Date of such Revolving Loans, which date shall be a Business Day, and (iv) whether the requested Revolving Loans will bear interest at the ABR or Applicable LIBOR Rate. Each Borrowing Notice shall be accompanied by the officer's certificate contemplated by Section 4.2(vi) hereof. In lieu of delivering the above-described Borrowing Notice, and only with the consent of the Agent in its sole discretion at such time, the Borrower may give the Agent telephonic notice of any such proposed borrowing by the time required under this Section 2.2(a); provided that, in the event the Agent so consents, such notice shall be confirmed in writing by delivery to the Agent promptly (but in no event later than 12:00 noon (Eastern time) on the Funding Date of the requested Revolving Loans) of a Borrowing Notice (it being understood that any such telephonic notice shall be irrevocable). Notwithstanding anything contained herein to the contrary, if on any Interest Payment Date the credit balance in the Borrower Account is insufficient to permit the debit contemplated by the second sentence of Section 3.4(a) of this Agreement, the Agent, without any notice or other authorization being required, shall (and is hereby irrevocably instructed by the Borrower to) effect Revolving Loans in an amount sufficient to permit such debit to be implemented or, if the amount of such debit is greater than the aggregate Lender Availability, in the amount of such unused portion.

(b) MAKING OF REVOLVING LOANS. Promptly after receipt of a Borrowing Notice under clause (a) of this Section 2.2 (or telephonic notice if the Agent so consents thereto), the Agent shall notify each Lender by telecopy or telex or other customary form of teletransmission of the requested borrowing. Each Lender shall make the amount of its Revolving Loan available to the Agent in Dollars and in immediately available funds, not later than 3:00 P.M. (Eastern time) on the Funding Date specified in the Borrowing Notice. After the Agent's receipt of the proceeds of such Revolving Loans from the Lenders, the Agent shall (unless it shall have learned that any of the conditions precedent set forth in Section 4.2 hereof have not been satisfied) make the proceeds of such Revolving Loans available to the Borrower on such Funding Date and shall disburse such funds in Dollars to the Borrower in immediately available funds by crediting the Borrower Account.

(c) FAILURE TO FUND BY LENDER. Unless the Agent shall have been notified by any Lender prior to 12:00 P.M. (Eastern time) on any Funding Date in respect of Revolving Loans requested under a Borrowing Notice that such Lender does not intend to make available to the Agent such Lender's Revolving Loan on such Funding Date, the Agent may assume that such Lender has made such amount available to the Agent on such Funding Date and the Agent in its sole discretion may, but shall not be obligated to, make available to the Borrower a corresponding amount on such Funding Date. If such corresponding amount is not in fact made available to the Agent by such Lender on or prior to 3:00 P.M. (Eastern time) on a Funding Date, such Lender agrees to pay and the Borrower agrees to repay to the 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 paid or repaid to the Agent, at (i) in the case of such Lender, the Federal Funds Rate, and (ii) in the case of the Borrower, the ABR. If such Lender shall pay to the Agent such corresponding amount, such amount so paid shall constitute such Lender's Revolving Loan, and if both such Lender and the Borrower shall have paid and repaid, respectively, such corresponding amount, the Agent shall promptly pay over to the Borrower such corresponding amount in same day funds, but the Borrower shall remain obligated for all interest thereon. Nothing contained in this Section 2.2(b) shall be deemed to relieve any Lender of its obligation hereunder to make its Revolving Loan on any Funding Date.

Section 2.3 STANDBY LETTERS OF CREDIT.

(a) GENERALLY. Subject to and in accordance with the terms and conditions set forth herein, the Borrower may request the Issuing Lender,

from time to time during the period commencing on the Effective Date and ending 10 Business Days prior to the Maturity Date, to issue, and subject to the terms hereof the Issuing Lender shall issue, for the account of the Borrower and on behalf of itself or any Subsidiary, one or more standby letters of credit (each, a "Standby Letter of Credit") pursuant to the Issuing Lender's customary letter of credit application. The aggregate outstanding amount at any time and from time to time of all Standby Letters of Credit shall not exceed $15,000,000. The Issuing Lender shall have no obligation to issue any Standby Letter of Credit if, after giving effect to the issuance thereof, the Total Outstanding Amount shall then exceed the Facility Amount (it being understood that the Issuing Lender shall, upon request of the Borrower, issue a Standby Letter of Credit in an amount that would, after giving effect to the issuance thereof, not cause the Facility Amount to be exceeded).

(b) STANDBY LETTER OF CREDIT FEES; MATURITY. The Borrower shall, among other things, pay to the Issuing Lender for the benefit of the Lenders, pro rata, on each L/C Fee Payment Date, in arrears, a fee (the AL/C Fee") per annum (calculated on the basis of a 360 day year and the actual number of days elapsed), computed by multiplying the Applicable L/C Margin for the Fiscal Quarter immediately preceding the applicable L/C Fee Payment Date by the daily average of the aggregate of all Standby Letters of Credit outstanding during such Fiscal Quarter. Any change in the Applicable L/C Margin resulting from a change in the ratio of Funded Debt to EBITDA calculated pursuant to Section 6.1 (e) hereof shall be effective five (5) Business Days after receipt of Borrower's financial statements reflecting such ratio; provided, however, that if such financial statements are not delivered when due, then the highest Applicable L/C Margin shall apply. In addition to the L/C Fee, the Borrower shall pay to the Issuing Lender, for its own account, an annual fronting fee (the "Fronting Fee"). The Fronting Fee shall be payable not later than the Fee Payment Date and shall be equal to 0.125% per annum (calculated on the basis of a 360 days year and the actual number of days elapsed) of the daily average of the aggregate of all Standby Letters of Credit outstanding during the period as to which such Fronting Fee shall have accrued.

All Standby Letters of Credit issued by the Issuing Lender as contemplated by this Section 2.3 shall expire no later than the Maturity Date. Notwithstanding that the Issuing Lender shall have no obligation to issue any Standby Letter of Credit the expiration date of which shall extend beyond the Maturity Date, if the expiration date of any Standby Letter of Credit shall in fact extend beyond the Maturity Date, then on the last Business Day immediately preceding the Maturity Date, there shall be deemed to have been made Revolving Loans in the outstanding amount of all Standby Letters of Credit the expiration date of which shall occur after the Maturity Date, the proceeds of which the Issuing Lender shall deposit in a collateral account at the Issuing Lender or an Affiliate thereof in order to collateralize such Standby Letters of Credit, which collateral account shall bear interest for the account of the Borrower based upon investment of the funds as agreed between the Issuing Lender and the Borrower.

(c) STANDBY LETTER OF CREDIT REQUEST PROCEDURE. Whenever the Borrower desires that a Standby Letter of Credit be issued on its behalf, the Borrower shall give the Issuing Lender (with copies to be sent to the Agent and each other Lender) at least five (5) Business Days' prior written notice therefor. The execution and delivery of each request for a Standby Letter of Credit shall be deemed to be a representation and warranty by the Borrower that such Standby Letter of Credit may be issued in accordance with, and will not violate the requirements of, this Section 2.3. Unless the Issuing Lender has received notice from the Agent or any Lender before it issues the respective Standby Letter of Credit that one or more of the conditions specified in
Section 4.2 are not then satisfied, or that the issuance of such Standby Letter of Credit would violate this Section 2.3, then the Issuing Lender may issue the requested Standby Letter of Credit for the account of the Borrower in accordance with the terms of this Agreement and, with respect to any matters not specifically covered by this Agreement, in accordance with the Issuing Lender's usual and customary practices as in effect from time to time.

(d) LETTER OF CREDIT PARTICIPATIONS.

(i) Immediately upon the issuance by the Issuing Lender of any Standby Letter of Credit, the Issuing Lender shall be deemed to have sold and transferred to each Lender (other than the Issuing Lender), and each such Lender shall be deemed irrevocably and unconditionally to have purchased and received from the Issuing Lender, without recourse or warranty, an undivided interest and participation, in proportion to such Lender's Pro Rata Share, in such Standby Letter of Credit, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any collateral therefor. Upon any change in a Lender's Pro Rata Share of the Revolving Loan Commitment, it is hereby agreed that with respect to all outstanding Standby Letters of Credit, there shall be an automatic adjustment to the participations pursuant to this Section 2.3(d) to reflect the new Pro Rata Share of the Revolving Loan Commitment of the assigning and assignee Lenders.

(ii) In determining whether to pay under any Standby Letter of Credit, the Issuing Lender shall have no obligation relative to the Lenders other than to confirm that any documents required to be delivered under such Standby Letter of Credit appear to have been delivered and that they appear to comply on their face with the requirements of such Standby Letter of Credit. Any action taken or omitted to be taken by the Issuing Lender under or in connection with any Standby Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Issuing Lender any resulting liability to any Lender.

(iii) Upon the request of any Lender, the Issuing Lender shall furnish to such Lender copies of any Standby Letter of Credit to which the Issuing Lender is party and such other documentation relating to such Standby Letter of Credit as may reasonably be requested by such Lender.

(iv) As between the Borrower on the one hand and the Issuing Lender and the Lenders on the other hand, the Borrower assumes all risks of the acts and omissions of, or misuse of the Standby Letters of Credit by the respective beneficiaries of such Standby Letters of Credit. Without limiting the generality of the foregoing, neither the Issuing Lender nor any other Lender shall be responsible (except in the case of its gross negligence or willful misconduct) for the following:

(A) the form, validity, sufficiency, accuracy, genuineness or legal effect of any documents submitted by any party in connection with the application for and issuance of or any drawing under such Standby Letters of Credit, even if it should in fact prove to be in any respects invalid, insufficient, inaccurate, fraudulent or forged;

(B) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Standby Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(C) failure of the beneficiary of any such Standby Letter of Credit to comply fully with conditions required in order to draw upon such Standby Letter of Credit, other than material conditions or instructions that expressly appear in such Standby Letter of Credit;

(D) errors, omissions, interruptions or delays in the transmission or delivery of any messages by mail, cable, telegraph, telecopier, telex or otherwise, whether or not they are encoded;

(E) errors in interpretation of technical terms;

(F) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Standby Letter of Credit or the proceeds thereof;

(G) the misapplication by the beneficiary of any such Standby Letter of Credit of the proceeds of any drawing of any such Standby Letter of Credit; or

(H) any consequences arising from causes beyond the control of the Issuing Lender, including without limitation any acts of governments.

(v) The obligations of the Lenders to make payments to the Agent for the account of the Issuing Lender with respect to Standby Letters of Credit shall be irrevocable and not subject to any qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

(A) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(B) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against a beneficiary named in a Standby Letter of Credit, any transferee of any Standby Letter of Credit (or any Person for whom any such transferee may be acting), the Agent, the Issuing Lender, any Lender, or any other Person, whether in connection with this Agreement, any Standby Letter of Credit, the transactions contemplated herein or any unrelated transactions;

(C) any draft, certificate or any other document presented under the Standby Letter of Credit shall prove to be forged, fraudulent, invalid or insufficient in any respect or any statement therein shall prove to be untrue or inaccurate in any respect;

(D) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(E) the occurrence of any Event of Default or Potential Event of Default; or

(F) the termination of this Agreement or any Commitment.

(e) STANDBY LETTER OF CREDIT DRAWINGS CONSTITUTE REVOLVING LOANS. The Issuing Lender shall promptly notify the Agent, and the Agent shall promptly notify each Lender, in each case by telecopy or telex or other customary form of teletransmission, of any drawing under any Standby Letter of Credit (each drawing, a "Drawing"). Each Drawing shall immediately be deemed to be and for all purposes of this Agreement shall constitute a Revolving Loan hereunder in the amount of such drawing. Each Lender shall promptly and unconditionally pay to the Agent for the account of the Issuing Lender an amount equal to such Lender's Pro Rata Share of such Drawing in same day funds. Such payment shall be made to the Agent at the Agent Lending Office. If the Agent delivers such notice to such Lender prior to 2:00 P.M. (Eastern time) on any Business Day, such Lender shall make its required payment on the same Business Day. If and to the extent such Lender shall not have made available to the Agent for the account of the Issuing Lender such Lender's Pro Rata Share of such Drawing, such Lender agrees to pay to the Agent for the account of the Issuing Lender, promptly upon demand, such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Agent for the Account of the Issuing Lender at the Federal Funds Rate plus 100 basis points. The failure of any Lender to make available to the Agent for the Account of the Issuing Lender its Pro Rata Share of any Drawing shall not relieve any other Lender of its obligation hereunder to make available to the Agent for the Account of the Issuing Lender its Pro Rata Share of any Drawing on the date so required; provided, however, that no Lender shall be responsible for the failure of any other Lender to make available to the Agent for the account of the Issuing Lender such other Lender's Pro Rata Share of such Drawing.

Section 2.4 SWING LINE LOAN SUBFACILITY.

(a) SWING LINE SUBFACILITY. Subject to the terms and conditions hereof, NationsBank, N.A., in its individual capacity (as such, the ASwing Line Lender"), shall, in its sole and absolute discretion from and after the Effective Date until one Business Day prior to the Maturity Date, make certain revolving credit loans (each, a "Swing Line Loan" and, collectively, the "Swing Line Loans") to the Borrower; provided,

however, that (i) the aggregate principal amount of all Swing Line Loans shall at no time exceed $10,000,000.00 (such amount, the "Swing Line Subfacility"), and (ii) the sum of the aggregate amount of all Revolving Loans (whether bearing interest at the ABR or Applicable LIBOR Rate) plus the aggregate amount of all Swing Line Loans plus the aggregate amount of all Standby Letters of Credit shall at no time exceed the Facility Amount.

(b) THE SWING LINE NOTE; MATURITY. The Swing Line Loans made by the Swing Line Lender pursuant hereto shall be evidenced by a separate Swing Line Note. The Swing Line Note shall be issued on or before the Effective Date and shall bear interest for the period from the date of the initial funding of any Swing Line Loan until paid in full on the unpaid principal amount thereof. The Swing Line Lender is hereby authorized to record in its books and records
(without making any notation on the Swing Line Note or any schedule thereto) the amount and date of funding of each Swing Line Loan made by it, and the amount and date of each payment or prepayment of any Swing Line Loan. No failure to so record nor any error in so recording shall affect the obligations of the Borrower to repay the actual outstanding principal amount of the Swing Line Loans, with interest thereon, as provided in this Agreement. The aggregate principal amount of the Swing Line Loans shall be payable on the Maturity Date.

(c) SWING LINE LOAN BORROWING PROCEDURE. Whenever the Borrower desires to borrow Swing Line Loans under this Section 2.4, the Borrower shall deliver to the Swing Line Lender irrevocable written notice (each such notice, a "Swing Line Borrowing Notice"), and the Swing Line Lender may, in its sole and absolute discretion and upon such other arrangements as shall be specifically agreed to by the Swing Line Lender and the Borrower, make a Swing Line Loan to the Borrower on the date (which shall be a Business Day), at the time and in the amount so agreed; provided, however, that (i) the principal amount of any Swing Line Loan made hereunder shall not be less than $1,000.00 (and shall be in multiples of $1,000.00) and (ii) an individual Swing Line Loan shall be offered by the Swing Line Lender for a period of not less than 1 but not more than 29 days (any such period, a "Swing Line Period"). In addition, and as an alternative when requested by the Borrower, the Swing Line Lender shall provide autoborrow services in respect of the Swing Line Loans pursuant to the Swing Line Lender's standard terms and conditions for such services as set forth in a mutually acceptable agreement or other arrangement between the Swing Line Lender and the Borrower.

(d) INTEREST ON SWING LINE LOANS. Subject to the provisions of clause
(e) of this Section 2.4, in the event that the Swing Line Lender shall make any Swing Line Loan pursuant to Section 2.4 hereof, the aggregate principal amount of Swing Line Loans outstanding from time to time shall bear interest at a rate per annum equal to the Applicable Swing Line Rate for the applicable Swing Line Period (or such other interest rate agreed to in writing by the Swing Line Lender and the Borrower). Any change in the Applicable Swing Line Rate resulting from a change in the ratio of Funded Debt to EBITDA calculated pursuant to Section 6.1
(e) hereof shall be effective five (5) Business Days after timely receipt of Borrower's financial statements reflecting such ratio; provided, however, that if such financial statements are not delivered when due, then the highest Applicable Swing Line Rate shall apply.

(e) REPAYMENT OF SWING LINE LOANS. Each Swing Line Loan made by the Swing Line Lender hereunder shall be due and payable upon the expiration of the Swing Line Period relating to such Swing Line Loan. The Swing Line Lender may, at any time and in its sole and absolute discretion, by written notice to the Borrower and the Agent (which shall promptly deliver a copy thereof to the other Lenders), demand repayment of its Swing Line Loans then outstanding by way of a Revolving Loan borrowing (a "Mandatory Borrowing"), in which case the Borrower, shall be deemed to have requested a Revolving Loan borrowing in the amount of the then outstanding Swing Line Loans which shall bear interest at the ABR; provided, however, that, in the following circumstances, any such demand shall also be deemed to have been given one Business Day prior to each of (i) the Maturity Date, (ii) the occurrence of any Event of Default described in clause (g), (h) or (i) of Section 7.1 hereof, (iii) upon acceleration of the Obligations hereunder, whether on account of an Event of Default described in clause (g), (h) or (i) of Section 7.1 or any other Event of Default, and (iv) the exercise of remedies in accordance with the provisions of Section 7.1 hereof. Each Lender hereby irrevocably agrees to make such Revolving Loans promptly upon any such request or deemed request on account of a Mandatory Borrowing, in the amount (but in proportion to each Lender's Pro Rata Share) and in the manner specified in the preceding sentence and on the same such date notwithstanding that (A) the amount of the Mandatory Borrowing may not comply with the minimum amount for borrowings of Revolving Loans otherwise required hereunder, (B) whether any conditions specified in
Section 4.2 are then satisfied, (C) whether a Default or an Event of Default then exists, (D) failure of any such request or deemed request for Revolving Loans to be made by the time otherwise required in Section 2.2 hereof, (E) the date of such Mandatory Borrowing, or (F) any reduction in the Revolving Loan Commitment or termination of the Commitments relating thereto immediately prior to such Mandatory Borrowing or contemporaneously therewith. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding in bankruptcy with respect to the Borrower), then each Lender hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to such purchase) from the Swing Line Lender such participations in the then outstanding Swing Line Loans as shall be necessary to cause each such Lender to share in such Swing Line Loans ratably based upon its respective Pro Rata Share of the Revolving Loan Commitment (determined before giving effect to any termination of the Revolving Loan Commitments pursuant to the last paragraph of Section 7.1), provided that (1) all interest payable on the Swing Line Loans shall be for the account of the Swing Line Lender until the date as of which the respective participation of each other Lender is purchased, and (2) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Lender shall be required to pay to the Swing Line Lender interest on the principal amount of such participation purchased for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the rate equal to, if paid within 2 Business Days of the date of the Mandatory Borrowing, the Federal Funds Rate, and thereafter at a rate equal to the ABR.

(f) OPTIONAL PREPAYMENT OF SWING LINE LOANS. Subject to the provisions of this clause (f) and Section 3.9 hereof, the Borrower may, at its sole option, prepay the principal amount of the Swing Line Loans in whole or in part (in an amount of $10,000 or more and in multiples of $1,000) at any time and from time to time, without premium or penalty. In respect of each Optional Prepayment of a Swing Line Loan proposed to be made by the Borrower, the right of the Borrower to make such Optional Prepayment is subject to the Agent's receipt from

the Borrower, no later than 12:00 P.M. on the Business Day specified therein as the date on which such Optional Prepayment is to be made, of a written notice (which shall be irrevocable) specifying (i) that the Borrower desires to prepay such Swing Line Loan, (ii) the principal amount of such Optional Prepayment, and (iii) the date (which shall be a Business Day) on which such Optional Prepayment will be made. Any Optional Prepayment of a Swing Line Loan, which has not been converted to a Revolving Loan, made by the Borrower as permitted hereunder shall be paid to the Agent for the account of the Swing Line Lender no later than 12:00 P.M. (Eastern Time) on the applicable prepayment date.

ARTICLE III

INTEREST, FEES AND REPAYMENT

Section 3.1 INTEREST ON THE REVOLVING LOANS

(a) ABR. The initial Revolving Loan and, except as provided pursuant to clause (b) of this Section 3.1, the aggregate principal amount of the Revolving Loans outstanding from time to time shall bear interest at a rate per annum equal to the ABR until the entire principal amount of the Revolving Loans shall have been repaid. Any change in the rate of interest on the Revolving Loans resulting from a change in the ABR shall be effective as of the opening of business on the day on which such change is effective.

(b) LIBOR RATE. In the event the Borrower shall effect a LIBOR Conversion in accordance with the provisions of Section 3.8 of this Agreement or obtain a Revolving Loan that shall bear interest initially at the Applicable LIBOR Rate as provided in Section 2.2(a) hereof, the aggregate principal amount of the Revolving Loans that are the subject of such LIBOR Conve rsion or Borrowing Notice, as the case may be, shall bear interest at a rate per annum equal to the Applicable LIBOR Rate. Any change in the Applicable LIBOR Rate resulting from a change in the ratio of Funded Debt to EBITDA calculated pursuant to Section 6.1(e) hereof shall be effective five (5) Business Days after receipt of Borrower's financial statements reflecting such ratio; provided, however, that if such financial statements are not delivered when due, then the highest Applicable LIBOR Rate shall apply.

Section 3.2 REGULATORY CHANGES. If, after the date of this Agreement, any Regulatory Change

(i) shall subject any Lender to any tax, duty or other charge with respect to its obligation to make or maintain any Loan or its Commitment, or shall change the basis of taxation of payments to such Lender of the principal of or interest on the Loans or in respect of any other amounts due under this Agreement in respect of its obligation to make any Loan or maintain its Commitment (except for changes in the rate of tax on the overall net income of such Lender); or

(ii) shall impose, modify or deem applicable any reserve, assessment, special deposit, capital adequacy, capital maintenance or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Lender or shall impose on such Lender any other condition affecting (x) the obligation of the Lender to make or maintain the Loans or its Commitment, or (y) the Revolving Notes or the Swing Line Note; and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any Loan or maintaining its Commitment or to reduce the amount of any sum received or receivable by such Lender under, or the rate of return attributable to, this Agreement or under the Revolving Notes or the Swing Line Note, such Lender shall, within 30 days after the effective date of such Regulatory Change, provide written notice to the Borrower of such Regulatory Change (it being agreed by the parties hereto that if such notice is given after 30 days' of the effective date of such Regulatory Change, the Borrower shall be liable to the Lenders for the additional amounts payable pursuant to this Section 3.2 only to the extent such additional amounts accrue from and after the date of the giving of such notice), together with a certificate describing in reasonable detail such increase or reduction, as the case may be, then, within 30 days after delivery of such notice by such Lender to the Borrower if such Regulatory Change shall impose costs in excess of those costs, or reduce the amount of any such sum or rate of return below the amount or rate, applicable on the date of this Agreement, the Borrower, shall pay to such Lender for the account of such Lender such additional amount or amounts as will compensate such Lender for such increase or reduction. A certificate of such Lender setting forth the basis for the amount of said increase or reduction, as the case may be, shall be conclusive in the absence of manifest error.

Section 3.3 INTEREST AFTER DUE DATE. In the event the Borrower fails to make any payment of the principal amount of or interest on any of the Revolving Loans or Swing Line Loans, or of the Unused Portion Fee, the Administrative Fee, the L/C Fee or the Fronting Fee, in each case when due (whether by demand, acceleration or otherwise), the Borrower, shall pay to the Agent for the account of the Lenders interest on such unpaid amount, payable from time to time on demand, from the date such amount shall have become due to the date of payment thereof, accruing on a daily basis, at a per annum rate (the "Default Rate") equal to the sum of (x) the greater of the ABR and Applicable LIBOR Rate determined on and, in the case of any continuing default, from time to time after the date of such default plus (y) two percent (2%).

Section 3.4 PAYMENT AND COMPUTATIONS.

(a) PAYMENTS. All payments required or permitted to be made to the Agent, to the Agent for the account of the Lenders, or to any Lender under this Agreement or under any Note shall be made in Dollars (i) if to the Agent, at the Lending Office of the Agent in immediately available funds and (ii) if to any Lender, to it in immediately available funds at an account specified by such Lender in writing to the Borrower. The Borrower hereby irrevocably instructs and authorizes the Agent to effect each payment of interest on the Loans due on each Interest Payment Date, and of each payment of the Unused Portion Fee and the Administrative Fee due on the applicable Fee Payment Date by debiting the Borrower Account on such Interest Payment Date or Fee Payment Date, as the case may be, with the aggregate amount thereof, in each case, after giving effect to the crediting to the Borrower Account of the proceeds of the Revolving Loan, if any, made on such Interest Payment Date or Fee Payment Date, as the case may be, in accordance with Section 2.1(b) of this Agreement. The Agent shall provide to the Borrower an invoice showing the amount of such debit and the manner in which it was calculated.

(b) COMPUTATIONS. Interest on the unpaid portion of the Revolving Loans, the Swing Line Loans, the Unused Portion Fee and the Administrative Fee shall each be calculated for the actual number of days (including the first day but excluding the last day) elapsed and shall be computed on the basis of a year of 360 days.

(c) INTEREST AND FEE PAYMENT DATES. The Unused Portion Fee and interest on the Loans shall be payable in arrears (i) in the case of the Revolving Loans and Swing Line Loans, on each Interest Payment Date and (ii) in the case of the Unused Portion Fee, on each Fee Payment Date. The Administrative Fee, if any, shall be payable in advance on each Fee Payment Date. The L/C Fee and the Fronting Fee shall be payable in arrears as provided in Section 2.3(b) hereof.

(d) APPLICATION OF PAYMENTS; APPORTIONMENT.

(i) APPORTIONMENT OF PAYMENTS AND PREPAYMENTS. Unless a Lender shall be in default of its obligations to advance any Revolving Loan or reimburse the Agent as provided herein, all payments and prepayments of principal and interest in respect of outstanding Revolving Loans and all payments of fees (other than the Administrative Fee and Fronting Fee) and all other payments in respect of any other Obligations (other than with respect to Swing Line Loans) shall be allocated among (and paid over promptly after receipt thereof to) such of the Lenders as are entitled thereto in proportion to their respective Pro Rata Share. All payments and prepayments of principal and interest and other amounts in respect of the Swing Line Loans that have not been converted to Revolving Loans and of the Administrative Fee and Fronting Fee shall be allocated only to the Swing Line Lender.

(ii) Upon the occurrence and during the continuance of an Event of Default, the Agent shall, unless otherwise specified by the Required Lenders as provided in the last paragraph of this clause (ii), apply all payments (including the proceeds of any collateral obtained upon the exercise by the Agent of any remedy specified in the Pledge Agreement or in the Notarial Deed) in respect of any Obligations:

(A) first, and except as otherwise provided in Section 4(b)(ii) of the Pledge Agreement and in the Notarial Deed, to pay interest on and then principal of any portion of the Loans which the Agent may have advanced on behalf of any Lender for which the Agent has not then been reimbursed by such Lender or the Borrowers;

(B) second, to pay Obligations in respect of any fees, expense reimbursement or indemnities due to the Agent;

(C) third, to pay Obligations in respect of any fees, expense reimbursement, indemnities, increased costs or breakage then due to the Lenders, pro rata;

(D) fourth, to the ratable payment of overdue interest or late charges, if any, then due the Lenders;

(E) fifth, to the ratable payment of interest due in respect of the Revolving Loans and Swing Line Loans;

(F) sixth, to the ratable payment or prepayment of principal due in respect of the Revolving Loans and Swing Line Loans; and

(G) seventh, to the ratable payment of all other Obligations;

provided, however, that no Lender which shall be in default of its obligations to fund Revolving Loans or reimburse the Agent as provided herein shall be entitled to its ratable share of payments in respect of any Obligations prior to the payment to all non-defaulting Lenders of all amounts due such Lenders as provided herein.

The order of priority set forth in this Section 3.4(d)(ii) is set forth solely to determine the rights and priorities of the Agent and the Lenders as among themselves. The order of priority set forth in clauses (C) through (G) of this Section 3.4(d)(ii) may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by the Borrower, or any other Person. The order of priority set forth in clauses (A) and (B) of this Section 3.4(d)(ii) may be changed only with the prior written consent of the Agent.

Section 3.5 PAYMENT AT MATURITY. Any outstanding principal amount of the Revolving Notes or the Swing Line Note theretofore not repaid, together with any accrued and unpaid Unused Portion Fee, Administrative Fee, L/C Fee or Fronting Fee, any accrued and unpaid interest thereon, together with any other amounts due and payable in accordance with the provisions hereof (including pursuant to Section 9.10 hereof) shall be due and payable in full on the Maturity Date (unless sooner accelerated pursuant to the terms hereof), and this Agreement shall not terminate until all Obligations shall have been paid in full.

Section 3.6 PREPAYMENTS; CERTAIN EARLY REPAYMENTS.

(a) MANDATORY PREPAYMENT OF LOANS AND STANDBY LETTERS OF CREDIT.

(i) Upon the termination of this Agreement pursuant to the first sentence of Section 9.3 of this Agreement, the Borrower shall on the Prepayment Date (x) prepay the Loans in full together with interest accrued on the aggregate principal amount of the Loans to the Prepayment Date, and (y) pay to the Agent, for the account of the Lenders all other amounts payable pursuant to Sections 3.9 and 9.3 of this Agreement.

(ii) If at any time the Total Outstanding Amount shall be greater than the Facility Amount, the Borrower shall, without notice from the Lender, prepay that portion of the Loans and/or the Standby Letters of Credit, as the case may be, in an amount equal to such excess.

(b) OPTIONAL PREPAYMENTS OF REVOLVING LOANS. Subject to the terms and conditions of clause (c) below and Section 3.9 hereof,

the Borrower may, at its sole option prepay the principal amount of the Revolving Loans (whether bearing interest at the ABR or Applicable LIBOR Rate) in whole or in part (in an amount of $500,000 or more and in multiples of $100,000) at any time and from time to time, without premium or penalty.

(c) OPTIONAL PREPAYMENT PROCEDURE. In respect of each Optional Prepayment of Revolving Loans (whether bearing interest at the ABR or Applicable LIBOR Rate) proposed to be made by the Borrower, the right of the Borrower to make such Optional Prepayment is subject to the Agent's receipt from the Borrower, no later than 10:00 A.M. (Eastern Time) on the Business Day specified therein as the date on which such Optional Prepayment is to be made (unless such Optional Prepayment shall relate to LIBOR Loans, in which case such notice shall be given no later than 10:00 A.M. (Eastern time) at least three (3) Business Days prior to the date of prepayment, of a written notice (which shall be irrevocable) specifying (i) that the Borrower desires to prepay the Revolving Loans, (ii) the principal amount of such Optional Prepayment, and (iii) the date (which shall be a Business Day or, if such Optional Prepayment relates to a LIBOR Loan, a LIBOR Business Day) on which such Optional Prepayment will be made. Any Optional Prepayment of Revolving Loans made by the Borrower as permitted hereunder shall be paid to the Agent for the account of the Lenders no later than 12:00 P.M. (Eastern Time) on the applicable prepayment date (except that any prepayment of a LIBOR Loan shall be paid no later than 10:00 A.M. (Eastern Time) on the applicable prepayment date).

Section 3.7 UNUSED PORTION FEE, ADMINISTRATIVE FEE, L/C FEE AND FRONTING FEE.

(a) UNUSED PORTION FEE. For each Fiscal Quarter (or part thereof) during the period from the Effective Date until the Maturity Date, the Borrower shall pay to the Agent for the account of the Lenders pro rata based upon each Lender's Pro Rata Share of the Revolving Loan Commitment, an unused portion fee (the "Unused Portion Fee") determined by subtracting the sum of the aggregate outstanding amount of all Revolving Loans and Standby Letters of Credit (computed on the basis of the daily average for such Fiscal Quarter) from the Facility Amount. The Unused Portion Fee shall be computed at a rate per annum equal to, in the event the Funded Debt to EBITDA ratio calculated pursuant to Section 6.1(e) hereof is (i) less than or equal to 1.00 to 1.00, then 0.125%, (ii) greater than 1.00 but less than or equal to 1.50 to 1.00, then 0.15%, (iii) greater than 1.50 to 1.00, but less than or equal to 2.00 to 1.00, then 0.175%, (iv) greater than 2.00 to 1.00 but less than or equal to 2.50 to 1.00, then 0.20%, and (v) greater than 2.50 to 1.00, then 0.25%. The Unused Portion Fee shall be due and payable in arrears on the Fee Payment Date to which such Unused Portion Fee relates and on the Maturity Date, and shall be calculated on the basis of a 360 day year and the actual days elapsed.

(b) ADMINISTRATIVE FEE. The Borrower shall pay to the Agent, as compensation for the services of the Agent hereunder, a fee (the "Administrative Fee") in an amount separately agreed to by the Borrower, NationsBanc Montgomery Securities LLC and the Agent in that certain letter agreement dated the date hereof (the "Administrative Fee Letter"). The Administrative Fee payable by the Borrower as contemplated by this clause (b) shall be due on the applicable Fee Payment Date (and the Borrower shall not be entitled to any credit if any Lender as to which such fee shall have been paid ceases to be a Lender hereunder for the entire year in respect of which such fee shall have been due and payable).

(c) L/C FEE. The Borrower shall pay the L/C Fee and the Fronting Fee in accordance with the provisions of Section 2.3(b) hereof.

Section 3.8 LIBOR CONVERSION

(a) CONVERSION. So long as no Event of Default or Potential Event of Default shall have occurred and be continuing, the Borrower shall have the right to convert all or part of the outstanding Revolving Loans bearing interest at the then ABR to loans bearing interest at the then Applicable LIBOR Rate (such conversion, a "LIBOR Conversion"); provided, however, that the LIBOR Period to which such LIBOR Conversion shall relate will not extend beyond the Maturity Date. In order to effect a LIBOR Conversion, the Borrower shall give the Agent irrevocable written notice (such notice, a "LIBOR Conversion Notice") prior to 10:00 A.M. (Eastern time), at least three LIBOR Business Days prior to the first day of the LIBOR Period to which such LIBOR Conversion shall apply, stating that (i) the Borrower wishes to effect a LIBOR Conversion, (ii) the aggregate principal amount of outstanding Revolving Loans which the Borrower wishes to bear interest at the Applicable LIBOR Rate (it being understood and agreed that no LIBOR Conversion shall be permitted in an amount less than $500,000.00 and shall be in multiples of $100,000.00), (iii) the applicable LIBOR Period being elected by the Borrower (it being understood that no change in LIBOR with respect to any LIBOR Loans may be effected during any applicable LIBOR Period) and (iv) the Business Day on which the LIBOR Period is to be effective.

(b) NOTICE OF LIBOR TO BORROWER. In the event the Borrower has requested a LIBOR Conversion, the Agent shall give written notice to the Borrower and the Lenders of LIBOR as promptly as reasonably possible after such rate is determined. The Agent's determination of LIBOR shall be conclusive in the absence of manifest error.

(c) SUCCESSIVE NOTICE OF LIBOR CONVERSION. Subject to the provisions of clause (a) of this Section 3.8, the Borrower may, by executing a LIBOR Conversion Notice at least three LIBOR Business Days prior to the first day of the LIBOR Period to which such LIBOR Conversion Notice shall apply, execute successive LIBOR Conversions with respect to any Revolving Loan then outstanding and bearing interest at the ABR together with any then outstanding LIBOR Loans the LIBOR Period in respect of which is scheduled to expire on or before the start of the LIBOR Period specified in such LIBOR Conversion Notice. If, with respect to any LIBOR Loans, the Agent shall not have received a LIBOR Conversion Notice for the next immediately succeeding LIBOR Period which complies with the provisions of clause (a) of this Section 3.8, such LIBOR Loans shall, immediately upon the expiration of the then current LIBOR Period and without any notice to the Borrower, bear interest at the ABR in accordance with the provisions of Section 3.1(a) of this Agreement.

(d) MARKET DISRUPTION, ETC. In the event that the Agent (i) shall have determined (which determination shall be conclusive and binding

upon the Borrower) that by reason of circumstances affecting the London interbank market either adequate or reasonable means do not exist for ascertaining LIBOR elected by the Borrower pursuant to the terms hereof or (ii) the Agent shall have determined (which determination shall be conclusive and binding on the Borrower) that the applicable LIBOR will not adequately and fairly reflect the cost to the Agent of maintaining or funding loans bearing interest based on such LIBOR rate, with respect to any portion of the Revolving Loans that the Borrower has requested be made as a LIBOR Loan (each, an "Affected Advance"), the Agent shall promptly notify the Borrower (by telephone or otherwise, to be promptly confirmed in writing), with a copy to the Lenders, of such determination. If the Agent shall give such notice, (x) any Affected Advances shall be made as advances which shall bear interest at the ABR, and (y) any outstanding LIBOR Loan shall, from and after the last day of the then current LIBOR Period applicable thereto, bear interest at the ABR. Until any notice under clauses (i) or (ii) of this Section 3.8 (d) has been withdrawn by the Agent, no amounts outstanding or to be advanced hereunder shall bear interest based upon LIBOR.

Section 3.9 BREAKAGE, ETC. In the event of the prepayment of any LIBOR Loan (whether by way of acceleration or otherwise or due to an Optional Prepayment of any LIBOR Loan pursuant to Section 3.6(b) hereof), the Borrower shall pay to each Lender whose LIBOR Loan has been so prepaid any loss or expense which such Lender may incur or sustain directly as a result of such prepayment, including without limitation, an amount equal to (i) an amount of interest which would have accrued on the amount so prepaid for the period beginning on the date of such prepayment and ending on the last day of the applicable LIBOR Period (such period, the "Breakage Period"), at the Applicable LIBOR Rate minus (ii) the amount of interest (as reasonably determined by each affected Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for the Breakage Period with leading banks in the London interbank market. Without limitation of the foregoing provisions of this
Section 3.9, the Borrower agrees to pay to each Lender the losses or expenses which any Lender may suffer or incur as a result of such prepayments of any Loan.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1 CONDITIONS PRECEDENT TO EFFECTIVE DATE. This Agreement, and the Revolving Loan Commitment of the Lenders hereunder, shall become effective at a closing at the offices of Crowell & Moring LLP 1001 Pennsylvania Avenue, N.W., Washington, D.C. 20004 only on the day (the "Effective Date") on which all of the following conditions precedent shall have been fulfilled to the satisfaction of the Lenders; provided, however, that in the event the Effective Date shall have not occurred on or prior to June 30, 1998, the Lenders shall have no further obligations hereunder:

(i) The Agent, on behalf of the Lenders, shall have received from the Borrower the following instruments, agreements, certificates and payments, as the case may be, on or prior to the Effective Date:

(A) A Revolving Note, dated the Effective Date, payable to the order of each of Lender in the amount of such Lender's Pro Rata Share of the Revolving Loan Commitment and duly executed by the Borrower;

(B) A Swing Line Note, dated the Effective Date, payable to the order of NationsBank, N.A. in the amount of $10,000,000.00 and duly executed by the Borrower;

(C) The Subsidiary Guarantee, executed in favor of the Agent by each Domestic Subsidiary of the Borrower existing as of the Effective Date;

(D) The Pledge Agreement, executed by CACI N.V. in favor of the Agent, together with stock certificates evidencing the CACI Limited Shares, duly indorsed in blank for transfer or having attached thereto stock transfer powers duly indorsed in blank;

(E) The Notarial Deed, executed by the Borrower in favor of the Agent and acknowledged or executed by CACI N.V.;

(F) An opinion or opinions of counsel to the Borrower, Guarantors and Pledgors, in form and substance satisfactory to the Lenders;

(G) A certified copy of the resolutions of the Board of Directors of the Borrower, Guarantors and the Pledgors authorizing the execution and delivery of this Agreement and/or the other Loan Documents to which they are a party;

(H) A copy of the charter documents and by-laws of the Borrower and any Subsidiary thereof, together with all amendments thereto, certified by the Secretary of the Borrower or such Guarantor as being true, complete and correct and in effect as of the Effective Date;

(I) An incumbency certificate of the Secretary, an Assistant Secretary or an Assistant Treasurer of the Borrower, the Guarantors and CACI N.V. certifying the names and true signatures of each officer of the Borrower, the Guarantors and CACI N.V. authorized to execute the Loan Documents;

(J) By wire transfer of immediately available funds, the Borrower shall have paid to the Agent, on behalf of the Lenders, as applicable, a fee in the amount of (i) in the case of NationsBank, N.A., $25,000.00, (ii) in the case of First Union Commercial Corporation, $18,750.00, (iii) in the case of Mellon Bank, N.A., $16,875.00, and (iv) in the case of Crestar Bank $16,875.00,

(K) A certificate of an Authorized Officer of the Borrower, dated the Effective Date, certifying that the matters contained in clauses (iii), (iv) and (v) of Section 4.2 hereof are true and correct;

(L) A certificate of an Authorized Officer of the Borrower, dated the Effective Date, certifying, in form and substance satisfactory to the Lenders, the Borrower's compliance with Section 6.1(m) hereof, having attached to such certificate a summary in reasonable detail of the Borrower's and its Subsidiaries' insurance coverage. Upon request of the Lenders, the Borrower shall deliver an insurance report of an independent insurance broker as to due compliance with Section 6.1(m) hereof; and

(M) The results of a search, upon the records maintained with the appropriate Secretary of State and county or city recorder offices of all jurisdictions deemed advisable by the Lenders, regarding liens, if any, on file with such offices and naming the Borrower or any Subsidiary as a debtor, which results shall be satisfactory to the Lenders.

(ii) The Borrower shall have disclosed to the Lenders promptly from time to time any material developments or changes in the Borrower and its Subsidiaries', taken as a whole, business, assets, results of operations, condition (financial or otherwise) or prospects, including without limitation amendments to their charter documents or the Borrower's Form 10-K or 10-Q and the exhibits thereto, and any material amendments, changes or terminations of any material contracts or the award of or loss of any material bid or proposal. Any such material developments, changes or amendments shall not have affected adversely the assumptions contained in the credit analysis of the Borrower performed by the Lenders prior to the execution of this Agreement or resulted in a material adverse change since March 31, 1998 in the business, assets, results of operations, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries, taken as a whole;

(iii) The Borrower shall have delivered to the Lenders a true, correct and complete copy of all loan documents relating to that certain unsecured loan facility made to CACI Limited by the financing institution or institutions named therein in the aggregate amount of up to 500,000 Pound Sterling (the "U.K. Debt"), certified as of the Effective Date by an Authorized Officer of CACI Limited as such and that the U.K. Debt loan documents remain in full force and effect and that no default or event that, with the lapse of time or the giving of notice or both, would constitute an event of default exists thereunder;

(iv) The Borrower shall have delivered to the Lenders (A) the Borrower's Form 10-K for the Fiscal Years ending June 30, 1996 and 1997 and Form 10-Q for the Fiscal Quarters ending September 30, 1997, December 31, 1997 and March 31, 1998, and (B) such other unaudited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as any Lender shall reasonably request, together with, in each case, an officer's certificate, dated the Effective Date, from each of the Borrower's Chief Financial Officer and Treasurer, stating that, to their personal knowledge after having performed such due diligence as would customarily be performed by a corporate officer in their position but no additional due diligence, the Borrower's Form 10-K and Form 10-Qs and unaudited consolidated financial statements, if any, attached thereto as of the Effective Date do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(v) All legal matters incident to this Agreement shall be satisfactory to counsel for the Lenders, and the Borrower shall have reimbursed the Lenders for their fees and expenses and the fees and expenses of the Lenders' counsel in connection with the preparation or review, as the case may be, of the Loan Documents and all matters incident thereto (it being understood that such statement may not reflect the final statement of fees and expenses incurred by the Lenders' counsel in connection with such preparation or review);

(vi) All Schedules delivered hereunder by the Borrower shall be in form and substance satisfactory to the Lenders;

(vii) By wire transfer of immediately available funds, the Agent shall have received the Administrative Fee due and payable to the Agent on the Effective Date pursuant to the Administrative Fee Letter;

(viii) By wire transfer of immediately available funds, NationsBanc Montgomery Securities LLC shall have received the fee due and payable to it on the Effective Date in accordance with the Administrative Fee Letter;

(ix) The Lenders shall have completed their due diligence review of the Borrower and its Subsidiaries, including their business, assets, results of operations, condition (financial or otherwise), prospects, liabilities (both actual and contingent, including environmental liabilities), management and affairs, and the results thereof shall have been satisfactory to the Lenders in their sole discretion;

(x) The Lenders shall have received such other documents, instruments, certificates, opinions, agreements and information as the Lenders or their counsel shall reasonably request in their discretion in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, current consolidated and consolidating financial statements of the Borrower and its Subsidiaries, a report describing the aggregate amount and current age status of accounts receivable of the Borrower, a report describing the current status of goods or services on backlog with the Borrower or any Subsidiary thereof and a report describing the status of pending or threatened litigation).

Section 4.2 FURTHER CONDITIONS PRECEDENT TO LOANS AND STANDBY LETTERS OF CREDIT. The obligation of the Agent, on behalf of the Lenders, to make any Revolving Loan, and the obligation of the Swing Line Lender to make any Swing Line Loan, and the obligation of the Issuing Lender to issue any Standby Letter of Credit shall be subject to the fulfillment to the satisfaction of the Lenders, in the case of Revolving Loans and Standby Letters of Credit, and the Swing Line Lender, in the case of Swing Line Loans, of the further conditions precedent that, on the Funding Date for such Revolving Loan or Swing Line Loan or the issuance date for such Standby Letter of Credit, as the case may be:

(i) The Agent shall have received a Borrowing Notice (except as otherwise provided in the last sentence of Section 2.2(a) of this Agreement) in accordance with Section 2.2(a) or the Swing Line Lender shall have received a Swing Line Borrowing Notice in accordance with Section 2.4(c) or the Issuing Lender shall have received a request for a Standby Letter of Credit in accordance with Section 2.3(c), as the case may be, in each case executed by an Authorized Officer of the Borrower (or other officer of the Borrower designated by such Authorized Officer as having authority to execute such notice);

(ii) The prospect of payment of all obligations and liabilities outstanding or to become outstanding under this Agreement is not impaired due to acts or events materially bearing upon the financial condition of the Borrower and its Consolidated Subsidiaries (taken as a whole), as determined by the Required Lenders (or, in the case of Swing Line Loans, the Swing Line Lender) in their sole discretion;

(iii) Since the date of the most recent financial statements or projections provided to the Lenders, there shall have been no material adverse change in the Borrower's or its Consolidated Subsidiaries' (taken as a whole) financial condition or in the Borrower's or its Consolidated Subsidiaries' (taken as a whole) assets or prospects, in each case as determined by the Required Lenders (or, in the case of Swing Line Loans, the Swing Line Lender) in their sole discretion;

(iv) The representations and warranties of the Borrower, the Pledgors and the Guarantors contained in Article V of this Agreement, in the Pledge Agreement, the Notarial Deed and the Subsidiary Guarantee, as the case may be, are true and correct as of such Funding Date (or, in the case of Standby Letters of Credit, the date of issuance thereof) as though made on and as of such Funding Date (or, in the case of Standby Letters of Credit, the date of issuance thereof) (and, if any such representation and warranty shall not be true and correct, the Borrower shall describe in writing to the Agent the nature of such misrepresentation and warranty);

(v) No event has occurred and is continuing, or would result from such Revolving Loan or Swing Line Loan after giving effect to the application of the proceeds therefrom or from the issuance of such Standby Letter of Credit if the beneficiary thereof were to fully draw upon such Standby Letter of Credit on the date of issuance, which constitutes an Event of Default or would constitute a Potential Event of Default; and

(vi) The Agent shall have received a certificate, addressed to the Lenders (or, in the case of a Swing Line Loan, the Swing Line Lender), of an Authorized Officer of the Borrower, dated the date of the Borrowing Notice, certifying that the matters contained in clauses (iii), (iv) and (v) of this
Section 4.2 are true and correct.

ARTICLE V

REPRESENTATIONS

In order to induce the Lenders and the Agent to enter into this Agreement and make the Loans contemplated by the terms hereof, the Borrower represents and warrants with respect to itself and its Subsidiaries, as the context shall require, as of the date hereof and as of the Effective Date that:

Section 5.1 EXISTENCE, POWER AND AUTHORITY. The Borrower and each Subsidiary thereof is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, with full corporate power and authority to carry on its business as currently conducted and to own or hold under lease its property; the Borrower and each Subsidiary thereof is duly qualified to do business as a foreign corporation in good standing in each other jurisdiction in which the conduct of its business or the maintenance of its property requires it to be so qualified and where the failure to be so qualified would have a material adverse effect on the financial condition, business or operation of the Borrower or such Subsidiary; and, the Borrower and its Subsidiaries have full corporate power and authority to execute and deliver the Loan Documents to which they are a party and to carry out the transactions contemplated thereby.

Section 5.2 AUTHORIZATION; ENFORCEABLE OBLIGATIONS. As of the Effective Date and thereafter, the Loan Documents to which the Borrower and the Subsidiaries are a party have been duly authorized, executed and delivered by the Borrower and such Subsidiaries and constitute legal, valid and binding obligations of the Borrower and such Subsidiaries, enforceable against the Borrower and such Subsidiaries in accordance with their respective terms (except as such enforceability may be limited by general principles of the law of equity or by any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws and laws affecting creditors' rights generally).

Section 5.3 NO LEGAL BAR. The execution, delivery and performance by the Borrower and the Subsidiaries of the Loan Documents to which they are a party
(i) do not violate the certificate of incorporation, by-laws or any preferred stock provision of the Borrower or such Subsidiaries (ii) do not violate or conflict with any law, governmental rule or regulation or any judgment, writ, order, injunction, award or decree of any court, arbitrator, administrative agency or other governmental authority applicable to the Borrower or such Subsidiaries or any indenture, mortgage, contract, agreement or other undertaking or instrument to which the Borrower or such Subsidiaries is a party or by which their respective property may be bound and/or (iii) do not and will not result in the creation or imposition of any lien, mortgage, security interest or other encumbrance on any of its property pursuant to the provisions of any such indenture, mortgage, contract, agreement or other undertaking or instrument.

Section 5.4 CONSENTS. The execution, delivery and performance by the Borrower and the Subsidiaries of the Loan Documents to which they

are a party does not require any consent, which has not been obtained, of any other Person (including, without limitation, stockholders of the Borrower or such Subsidiaries) or any consent, license, permit, authorization or other approval of, any giving of notice to, exemption by, any registration, declaration or filing with, or any taking of any other action in respect of, any court, arbitrator, administrative agency or other governmental authority.

Section 5.5 LITIGATION. Except as set forth on Schedule 5.5 hereto, there is no action, suit, investigation or proceeding by or before any court, arbitrator, administrative agency or other governmental authority pending or, to the knowledge of the Borrower or the Subsidiaries, threatened (i) which involves any of the transactions contemplated by this Agreement or (ii) against or affecting the Borrower or any Subsidiary thereof which could in the reasonable judgment of the Borrower materially adversely affect the financial condition, business or operation of the Borrower, CACI N.V. or the Guarantors or any Subsidiary thereof.

Section 5.6 NO DEFAULT. Except as set forth on Schedule 5.6 hereto in writing, neither the Borrower nor any Subsidiary thereof is in default under any material order, writ, injunction, award or decree of any court, arbitrator, administrative agency or other governmental authority binding upon it or its property, or any material indenture, mortgage, contract, agreement or other undertaking or instrument to which it is a party or by which its property may be bound, and nothing has occurred which would materially adversely affect the ability of any of them to carry on their respective business or perform their respective obligations under any such material order, writ, injunction, award or decree or any such material indenture, mortgage, contract, agreement or other undertaking or instrument.

Section 5.7 FINANCIAL CONDITION. The financial statements of the Borrower (including the Borrower's Form 10-K and Form 10-Q) and its Subsidiaries, copies of which have been furnished to the Lenders, were prepared in accordance with GAAP and are complete and correct and fairly and accurately present the financial condition of the Borrower and its Subsidiaries (taken as a whole) as of their dates and the results of their operations for the periods then ended. There has been no material adverse change in the financial condition of the Borrower and the Guarantors (taken as a whole) or the results of their operations since the date of such financial statements.

Section 5.8 USE OF PROCEEDS. None of the proceeds of any Loan have been or will be used to purchase or carry, or reduce or retire or refinance any credit incurred to purchase or carry, any margin stock (within the meaning of Regulations G, U and X of the Board of Governors of the Federal Reserve system) or to extend credit to others for the purchasing or carrying of any margin stock. Neither the Borrower nor any of its Subsidiaries is engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock.

Section 5.9 BORROWER NOT AN INVESTMENT COMPANY. Neither the Borrower nor any of its Subsidiaries is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

Section 5.10 TAXES. T he Borrower and its Subsidiaries have filed or caused to be filed all tax returns which are required to be filed by them and have paid or caused to be paid all taxes which have been shown to be due and payable by such returns or (except to the extent being contested in good faith and for the payment of which adequate reserves have been provided) tax assessments received by the Borrower or any Subsidiary thereof to the extent that such taxes have become due and payable.

Section 5.11 ENVIRONMENTAL MATTERS. The Borrower and its Subsidiaries conduct their respective operations in compliance with all applicable laws and regulations concerning the discharge of substances into the environment and other environmental control matters, except to the extent that non-compliance would not have a material adverse effect on the business, results of operations or condition (financial or otherwise) of the Borrower and the Guarantors (taken as a whole). Neither the Borrower nor any Subsidiary thereof has any liability, contingent or otherwise, under any law, ordinance or regulation relating to the storage, transport, disposal or release of "oil", "petroleum products", "hazardous substance", "hazardous waste", "hazardous material", "hazardous chemical substance", "refuse" or any other term of similar import (as such terms are defined in any such law, ordinance or regulation), except to the extent that any such liability would not have a material adverse effect on the business, results of operations or condition (financial or otherwise) of the Borrower and the Guarantors (taken as a whole).

Section 5.12 SUBSIDIARIES. There are no Affiliates or Subsidiaries
(consolidated or otherwise, direct or indirect) of the Borrower other than (i)
the Guarantors, (ii) the Foreign Subsidiaries set forth on Schedule 5.12 hereof and (iii) in the case of Affiliates, certain other Persons disclosed in writing to the Lenders prior to the date hereof. The Borrower is the holder (either directly or indirectly) of all of the outstanding shares of capital stock of each Subsidiary and, except as otherwise provided in the proviso contained in Section 6.1(q) hereof, of each Foreign Subsidiary. All Foreign Subsidiaries other than CACI Limited, CACI Virgin Islands, Inc., a corporation organized under the laws of the United States Virgin Islands, and CACI Nederland B.V., a corporation organized under the laws of The Netherlands, are non-operating companies. Except for CACI N.V. and CACI Limited, no Foreign Subsidiary is material to the financial condition or assets of the Borrower and its Consolidated Subsidiaries, taken as a whole.

Section 5.13 YEAR 2000 COMPLIANCE. The Borrower has (i) initiated a review and assessment of all areas within its and each of the Subsidiaries' business and operations (including those affected by suppliers and vendors) that could be adversely affected by the risk that computer applications used by the Borrower or any of its Subsidiaries (or its suppliers and vendors) may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999 (the "Year 2000 Problem"), (ii) developed a plan and timeline for addressing the Year 2000 Problem on a timely basis, and (iii) to date, implemented that plan in accordance with that timetable. The Borrower reasonably believes that all computer applications (including those of its suppliers and vendors) that are material to its or any of its Subsidiaries' business and operations will on a timely basis be able to perform properly date-sensitive functions for all dates before and after January 1, 2000 (such compliance, "Year 2000 Compliant"), except to the extent that a failure to do so could not reasonably be expected to have a material adverse effect on the Borrower and the Guarantors, taken as a whole.

ARTICLE VI

COVENANTS

Section 6.1 AFFIRMATIVE COVENANTS. The Borrower covenants and agrees for itself and its Subsidiaries (in which case the Borrower shall cause such Subsidiaries to take or refrain from taking the actions described below) that, so long as this Agreement shall remain in effect or any Obligation shall remain unpaid:

(a) AUDITED ANNUAL FINANCIALS. The Borrower shall deliver to the Agent and each Lender, as soon as available but within 90 days of the end of each fiscal year of the Borrower ending June 30 (each such year, a "Fiscal Year"), a full and complete set of the annual audited consolidated financial statements (including statements of financial condition, income, cash flows and changes in shareholders' equity), together with all notes thereto, of the Borrower and its Consolidated Subsidiaries prepared in accordance with GAAP and certified by an independent accounting firm of national recognition reasonably acceptable to the Required Lenders (which certificate shall be accompanied by an unqualified opinion of such accounting firm of such statements).

(b) QUARTERLY FINANCIAL STATEMENTS. The Borrower shall deliver to the Agent and each Lender, as soon as available but within 48 days following the end of each of the Borrower's Fiscal Quarters, internally prepared consolidated and consolidating financial statements of the Borrower and its Consolidated Subsidiaries (including a balance sheet, income statement and statement of cash flows), together with (i) a report detailing the aggregate amount and current age status of accounts receivable of the Borrower and any of its Consolidated Subsidiaries, and (ii) a report, substantially in the form of Exhibit F hereof, describing the current status of goods or services on backlog with the Borrower or any such Consolidated Subsidiary, in each case as of the end of such Fiscal Quarter]. The financial statements and reports required to be delivered under this clause (b) shall be accompanied by a certificate of an Authorized Officer of the Borrower, to the effect that the information contained therein is true and accurate as of the date of such certificate.

(c) EXCHANGE ACT AND SECURITIES ACT FILINGS. The Borrower shall deliver to each Lender and the Agent, within 5 days following the filing with the SEC, copies of all filings by it or any of its Subsidiaries under the Exchange Act (including reports on Forms 10-Q, 10-K and 8-K) and registration statements filed with the SEC under either the Securities Act or the Exchange Act. The Borrower shall deliver to each Lender and the Agent copies of all of the Borrower's Annual Reports and Proxy Statements and, at the request of such Lender, any other shareholder communication.

(d) TAX FORMS. From time to time, the Borrower shall cause each of its Foreign Subsidiaries to cooperate with each Lender and shall execute and deliver to such Lender in a timely manner such forms (including Internal Revenue Service Forms) and certificates as such Lender shall reasonably request, in each case for the purpose of confirming that such Lender is capable, under the provisions of any applicable tax treaty concluded with the United States of America or any other applicable law, of receiving payments of interest hereunder without deduction or withholding of any tax. In the event that any such tax shall be required to be withheld or deducted, the Borrower shall pay to such Lender an amount that would fully indemnify such Lender for such withheld or deducted amount.

(e) FUNDED DEBT TO EBITDA RATIO. The Borrower and its Subsidiaries, taken as a whole, shall maintain, for (and at all times during) each Fiscal Quarter beginning with the Fiscal Quarter ending March 31, 1998 (the "Initial Fiscal Quarter"), a ratio of Funded Debt to EBITDA of not greater than 3.00 to
1.00. The ratio contemplated by this clause (e) shall be computed on a rolling four quarter basis and shall include the Fiscal Quarter for which such ratio shall be determined plus the immediately preceding three Fiscal Quarters; provided, however, that to the extent that any Target acquired in accordance with Section 6.2(e) hereof shall not constitute a Subsidiary for a month falling within such rolling four quarters at the time of the determination of this ratio, then EBITDA for the purposes of this ratio shall include, for such rolling four quarter basis as it relates to such Target, (i) the pro forma EBITDA of such Target for that portion of the rolling four quarter period during which the Target was not a Subsidiary of the Borrower, and (ii) the actual EBITDA of the Target for that portion of the rolling four quarter period during which the Target constitutes a Subsidiary of the Borrower. For the purposes of illustration of the proviso to the preceding sentence, if a Target is acquired on March 31, 2000 and the ratio contemplated by this clause (e) shall be determined for the period ending June 30, 2000, then such Target's pro forma EBITDA as it existed prior to the acquisition for the quarters ending September 30, 1999, December 31, 1999 and March 31, 2000, together with such Target's actual EBITDA as a Subsidiary of the Borrower for the quarter ending June 30, 2000, shall be taken into account for the purposes of calculating this ratio.

(f) CONSOLIDATED NET WORTH. The Borrower and its Subsidiaries, taken as a whole, shall maintain, for (and at all times during) each Fiscal Quarter beginning with the Initial Fiscal Quarter, a Consolidated Net Worth of not less than (i) $70,000,000.00 plus (ii) fifty percent (50%) of Consolidated Net Income (computed on a cumulative basis for each Fiscal Quarter during the term of this Agreement, from the Initial Fiscal Quarter to the date of determination without deducting any net losses during any Fiscal Quarter in which there was a net loss) plus (iii) the net proceeds from the issuance of any capital stock of the Borrower as determined on a cumulative basis.

(g) CONSOLIDATED FIXED CHARGE COVERAGE RATIO. The Borrower and its Subsidiaries, taken as a whole, shall at all times maintain, for (and at all times during) each Fiscal Quarter beginning with the Initial Fiscal Quarter, a ratio of Consolidated Cash Flow to Consolidated Fixed Charges of not less than 2.00 to 1.00. The ratio contemplated by this clause (g) shall be computed on a rolling four quarter basis and shall include the Fiscal Quarter for which such ratio shall be determined plus the immediately preceding three Fiscal Quarters; provided, however, that to the extent that any Target acquired in accordance with Section 6.2(e) hereof shall not constitute a Subsidiary for a month falling within such rolling four quarters at the time of the determination of this ratio, then Consolidated Cash Flow for the purposes of this ratio shall include, for such rolling four quarter basis as it relates to such Target, (i) the pro forma Cash Flow of such Target for that portion

of the rolling four quarter period during which the Target was not a Subsidiary of the Borrower, and (ii) the actual Cash Flow of the Target for that portion of the rolling four quarter period during which the Target constitutes a Subsidiary of the Borrower. For the purposes of illustration of the proviso to the preceding sentence, if a Target is acquired on March 31, 2000 and the ratio contemplated by this clause (g) shall be determined for the period ending June 30, 2000, then such Target's pro forma Cash Flow as it existed prior to the acquisition for the quarters ending September 30, 1999, December 31, 1999 and March 31, 2000, together with such Target's actual Cash Flow as a Subsidiary of the Borrower for the quarter ending June 30, 2000, shall be taken into account for the purposes of calculating this ratio.

(h) PROCEEDS. The Borrower shall use the proceeds of the Loans and the Standby Letters of Credit for the Permitted Uses and for no other purpose.

(i) PAYMENT OF DEBTS AND TAXES. The Borrower and its Subsidiaries shall pay all debts, liabilities, taxes, assessments and other governmental charges when due in the ordinary course; provided, however, that no such debt, liability, tax, assessment or other governmental charge need be paid if such is being contested in good faith by appropriate legal proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor.

(j) CONDUCT OF BUSINESS. The Borrower and its Subsidiaries shall continue to engage in business of the same general type as now conducted by the Borrower or Subsidiary. The Borrower and its Subsidiaries will conduct and manage their respective business and affairs in the ordinary course, and shall take all steps necessary and reasonable for the purpose of preserving the value of their respective business and assets.

(k) PRESERVATION OF CORPORATE EXISTENCE. The Borrower and its Subsidiaries shall at all times preserve and keep in full force and effect their respective corporate existence and their respective rights, privileges, licenses and franchises which are necessary in the normal conduct of their business; provided, however, that without the consent of the Required Lenders, the Borrower may cause any non-operating Subsidiary not a party to any Loan Document or CACI Nederland B.V. to cease its corporate existence so long as the assets of such entity are distributed to its parent company prior to such cessation; and provided, further, that any Domestic Subsidiary of the Borrower may merge with and into any other Domestic Subsidiary of the Borrower, and any Foreign Subsidiary of the Borrower may merge with and into any other Foreign Subsidiary of the Borrower, so long as the surviving entity resulting from such merger shall have succeeded to all rights, assets, liabilities, obligations and properties of the disappearing entity.

(l) BOOKS AND RECORDS. The Borrower and its Subsidiaries shall at all times keep and maintain complete and accurate books, accounts and records of its operations and affairs in accordance with customary and sound business practices, and shall permit each Lender and the Agent and their respective officers, employees, agents and representatives to, from time to time upon reasonable notice, have access to its place of business, examine such books, accounts and records and make copies thereof and discuss the affairs and finances of the Borrower or its Subsidiary with any of their respective officers or directors.

(m) INSURANCE. The Borrower and its Subsidiaries shall maintain in full force and effect policies of insurance with responsible and reputable insurance companies or associations in such amounts as are within an acceptable range for and covering such risks as are usually and customarily insured against by companies engaged in similar businesses and owning similar properties in the same general area in which the Borrower or Subsidiary is engaged.

(n) COMPLIANCE WITH LAWS. The Borrower and its Subsidiaries shall comply with all applicable laws, rules, regulations and orders of any governmental or regulatory body or authority, a breach of which could have a material adverse effect on the financial condition or business of the Borrower and its Consolidated Subsidiaries (taken as a whole).

(o) COMPLIANCE WITH LOAN DOCUMENTS. The Borrower and its Subsidiaries shall comply with the terms and agreements contained in each Loan Document to which they are a party.

(p) LENDING RELATIONSHIP WITH THE AGENT. The Borrower shall maintain with the Agent the Borrower Account.

(q) PARENT OWNERSHIP OF CONSOLIDATED SUBSIDIARIES. The Borrower will, at all times, either directly or indirectly own all of the shares of each class of capital stock of each Subsidiary thereof; provided, however, that, in the case of any Foreign Subsidiary, not more than three percent (3%) of such shares may be owned by Persons other than the Borrower or its Subsidiaries. So long as any Obligation remains outstanding, the Borrower shall continue to consolidate the accounts of each its Foreign and Domestic Subsidiaries on the consolidated financial statements of the Borrower.

(r) NOTICE OF DEFAULT. The Borrower shall, promptly after becoming aware thereof, deliver to each Lender and the Agent notice of any Event of Default and Potential Event of Default, and such notice shall contain an express reference to this Agreement and that such notice is a "notice of an Event of Default" or "notice of Potential Event of Default," as the case may be.

(s) NOTICE OF ENVIRONMENTAL CLAIMS. The Borrower shall deliver to each Lender and the Agent a copy of any notice or other communication (i) alleging any violation by the Borrower or its Subsidiaries of any laws or regulations concerning the discharge of substances into the environment and other environmental control matters or (ii) under which the Borrower or its Subsidiaries shall admit to any such violation. Each copy of any such notice shall be delivered to the Lenders and the Agent promptly following the receipt or issuance thereof by the Borrower or such Subsidiary.

(t) PAYMENTS PARI PASSU. Under applicable laws in force from time to time, the claims and rights of the Lenders and the Agent against the Borrower and its Subsidiaries under the Loan Documents will not be subordinate to, and will rank at least pari passu with, the claims and rights of each other unsecured creditor of the Borrower and its Subsidiaries.

(u) YEAR 2000 COMPLIANCE. The Borrower will promptly notify the Agent in the event the Borrower discovers or determines that any computer application (including those of its suppliers and vendors) that is material to its or any of its Subsidiaries' business and operations will not be Year 2000 Compliant on a timely basis, except to the extent that such failure could not reasonably be expected to have a material adverse effect upon the Borrower and the Guarantors, taken as a whole.

Section 6.2 NEGATIVE COVENANTS. The Borrower covenants and agrees for itself and its Subsidiaries (in which case the Borrower shall cause such Subsidiaries to take or refrain from taking the actions described below), that, so long as this Agreement shall remain in effect or any Obligation shall remain unpaid:
(a) LIENS. The Borrower and its Subsidiaries, taken as a whole, shall not, directly or indirectly, create, incur, assume, grant, pledge or permit to exist any Lien on the property or assets of the Borrower and its Subsidiaries, taken as a whole, whether now owned or hereafter acquired, or any income or profits therefrom, other than:

(i) any Lien (other than a Lien arising out of a purchase money security interest) which, together with all such other similar Liens, are no greater than $250,000;

(ii) any Lien which shall constitute a purchase money security interest which, together with all such other similar Liens, are no greater than $5,000,000; and

(iii) the Lien granted by the CACI N.V. under the Pledge Agreement and the Lien granted by the Borrower under the Notarial Deed.

(b) INDEBTEDNESS. Neither the Borrower nor its Subsidiaries shall, directly or indirectly, create, incur, assume or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, other than:

(i) the Indebtedness incurred by the Borrower hereunder and evidenced by the Revolving Notes and the Swing Line Note and the Indebtedness of the Guarantors under the Subsidiary Guarantee;

(ii) the Indebtedness incurred by CACI Limited under the loan documents evidencing the U.K. Debt;

(iii) the Indebtedness evidenced by the Standby Letters of Credit, if any, issued by the Lender in accordance with Section 2.3 hereof;

(iv) indebtedness of the type described in clauses (i) and (ii) of
Section 6.2(a) which does not exceed (in each case in the aggregate and as to the Borrower and its Subsidiaries, taken as a whole) the respective amounts set forth in such clauses (i) and (ii) of Section 6.2(a);

(v) (A) any guarantee, suretyship agreement, other similar arrangement effecting the assumption of a debt or obligation of Borrower or any Subsidiary, or the endorsement of any promissory note or other instrument of obligation of any other Subsidiary thereof, in each case which is entered into in the ordinary course of the Borrower's or Subsidiary's business and is necessary and beneficial in connection with the operation thereof, or (B) any guarantee, suretyship agreement, other similar arrangement effecting the assumption of a debt or obligation of any Person (other than the Borrower or Subsidiary thereof), or the endorsement of any promissory note or other instrument of obligation of any Person (other than the Borrower or Subsidiary thereof), in each case which is entered into in the ordinary course of the Borrower's or its Subsidiaries' business, is necessary and beneficial in connection with the operation thereof and the aggregate amount of all such guarantees, suretyship agreements, or other similar arrangements shall not exceed in the aggregate $1,000,000.00; and

(vi) trade debt, operating leases, accounts payable and other similar indebtedness incurred in the ordinary course of the Borrower's or its Subsidiaries' business.

(c) CAPITAL STOCK. Without the prior written consent of the Required Lenders, neither the Borrower nor any Subsidiary thereof shall, directly or indirectly, repurchase, redeem or retire any of their capital stock, create new classes of capital stock, declare or pay any cash dividends on their capital stock, except that the Borrower may:

(i) repurchase from time to time the capital stock of the Borrower provided such repurchases do not, throughout the term of this Agreement, exceed in the aggregate $10,000,000.00 and, provided further, that after giving effect to any such repurchase, the Borrower shall be in compliance with all provisions of this Agreement (including, without limitation, all financial ratios contained in Section 6.1 hereof based on the financial statements most recently provided by the Borrower to the Lenders);

(ii) declare and pay dividends or make other distributions on its capital stock if the Borrower would be in compliance with all provisions of this Agreement, including without limitation the financial ratios contained in
Section 6.1 hereof after giving effect to the payment or distribution thereof; and

(iii) issue securities authorized under stock incentive plans described in the Borrower's Form 10-K or Proxy Statement.

(d) LOAN. Neither the Borrower (nor any Subsidiary thereof) shall, directly or indirectly, make any loans or advances to any corporate officers or directors, or any employees, or any insiders or affiliates (as defined in the Exchange Act) or to any Subsidiary of the Borrower not a party to the Subsidiary Guarantee, other than:

(i) travel, relocation and other salary advances made in the ordinary course of the Borrower's or its Subsidiaries' business;

(ii) loan the proceeds of the Revolving Loans or Swing Line Loans to any Subsidiary of the Borrower that is not a party to the Subsidiary Guarantee for the purpose of financing the acquisition of any Target as contemplated by, and in accordance with the limitations contained in, Section 6.1(e) hereof (provided such Subsidiary shall have become a party to the Subsidiary Guarantee in accordance with Section 6.2(h) hereof); and

(iii) loans to any officer of the Borrower for the purpose of enabling such officer to purchase securities of the type described in Section 6.2(c) (iii) hereof; provided that the aggregate amount of all loans made pursuant to this clause and outstanding from time to time shall not exceed $500,000.00.

(e) NO MERGER OR ACQUISITION. Without the prior written consent of the Required Lenders, neither the Borrower nor any Subsidiary thereof shall acquire, whether by stock or asset purchase, merger, consolidation or other business combination, any corporation, partnership, joint venture or other business organization (any such entity, the "Target"); provided, however, that the Borrower or any direct or indirect Consolidated Subsidiary thereof may acquire, either by way of stock or asset acquisition, merger, consolidation or otherwise, one or more Targets involved in a line of business similar to the line of business of the Borrower if:

(i) for any calendar year during the term of this Agreement, the aggregate consideration (whether such consideration shall consist of stock, cash, the assumption of debt, or otherwise, and whether or not paid at closing or deferred) (any such consideration, "Acquisition Consideration") paid for all Targets acquired during such calendar year shall not exceed $60,000,000.00; provided, however, that if Borrower either directly or indirectly shall so acquire QuesTech, Inc., a Virginia corporation, on or before December 31, 1998, then, solely with respect to the calendar year ending December 31, 1998, such aggregate consideration paid for all Targets during such calendar year ending December 31, 1998 shall not exceed $75,000,000.00;

(ii) for any calendar year during the term of this Agreement, the cash component (which, for the purposes of this clause (ii), shall include all cash and cash equivalents and the assumption of debt, whether or not paid at closing or deferred) of Acquisition Consideration paid for all Targets acquired during such calendar year shall not exceed $40,000,000.00; provided, however, that if Borrower either directly or indirectly shall so acquire QuesTech, Inc., a Virginia corporation, on or before December 31, 1998, then, solely with respect to the calendar year ending December 31, 1998, such cash component of Acquisition Consideration paid for all Targets acquired during such calendar year ending December 31, 1998 shall not exceed $55,000,000.00;

(iii) such Target's earnings before interest, taxes, depreciation and amortization shall, for the 12 month period immediately preceding the acquisition of such Target, be greater than $0.00;

(iv) the Borrower and its Subsidiaries shall, after giving effect to the acquisition of any such Target as provided above, be in compliance with all of the terms of this Agreement including the financial covenants described in Sections 6.1(e), 6.1(f) and 6.1(g) hereof as determined on a pro-forma basis;

(v) such acquisition, merger, consolidation (or otherwise) is not hostile or pursued by way of tender offer, proxy contest or other contested manner (unless the Required Lenders shall have waived in writing compliance with this clause (v));

(vi) for any calendar year during the term of this Agreement (including the calendar year beginning January 1, 1998), Targets that are not organized under the laws of a state of the United States of America or the District of Columbia may not be so acquired except to the extent that the Aggregate Consideration paid for all such Targets during such calendar year does not exceed $5,000,000.00;

(vii) such Target shall have become a party to the Subsidiary Guarantee pursuant to an instrument in writing satisfactory to the Agent (unless such Target shall, after giving effect to the acquisition thereof, constitute a Foreign Subsidiary, in which case the entity acquiring the capital stock or other equity interests of such Target shall pledge to the Agent for the benefit of the Lenders, pursuant to a pledge agreement satisfactory to the Agent, not more than 65% of the issued and outstanding shares of capital stock or other equity interests of such Target); and

(viii) three (3) Business Days prior to consummation thereof, the Borrower shall have delivered to the Agent (which shall promptly deliver a copy to the Lenders) a certificate, executed by an Authorized Officer of the Borrower, demonstrating in sufficient detail compliance with the financial covenants contained in this Section 6.2(e) and, further, certifying that, after giving effect to the consummation of such acquisition, merger, consolidation (or otherwise), the representations and warranties of the Borrower contained herein will be true and correct and that the Borrower, as of the date of such consummation, will be in compliance with all other terms and conditions contained herein.

(f) MODIFICATIONS OF U.K. DEBT. CACI Limited shall not amend or modify in any respect any of the agreements or instruments delivered in connection with the U.K. Debt, the effect of which would, as a result thereof, contravene any of the provisions contained herein,

increase the aggregate amount of the loan facility thereunder (which, as of the date hereof, is 500,000 Pounds Sterling) or otherwise adversely effect the ability of the Borrowers to make any payments of the principal of, or interest on, any Loan or of any Unused Portion Fee or Administrative Fee or L/C Fee or Fronting Fee or of any other amounts payable hereunder, in each case in accordance with the provisions hereof.

(g) FISCAL YEAR. The Borrower and its Subsidiaries shall not, without the prior written consent of the Required Lenders, make any material change in accounting policies or reporting practices, including a change in their Fiscal Year.

(h) ADVANCES TO SUBSIDIARIES AND AFFILIATES. The Borrower shall not, without the prior written consent of the Required Lenders, make any advances (either directly or indirectly), whether such advances are made from the proceeds of the Revolving Loans, any Swing Line Loan or Standby Letters of Credit or otherwise, to any of its Subsidiaries or Affiliates not a party to the Subsidiary Guarantee unless such Subsidiary or Affiliate shall have entered into an agreement or instrument (in form and substance acceptable to the Required Lenders) pursuant to which such Subsidiary or Affiliate shall have agreed to be bound by all of the terms, conditions, covenants and agreements contained in the Subsidiary Guarantee and such Subsidiary or Affiliate shall have delivered such documents, certificates and opinions as any Lender may reasonably request to implement such agreement or instrument.

(i) CREATION OF SUBSIDIARIES. Neither the Borrower nor any Subsidiary thereof shall create or cause to be formed any Subsidiary without the consent of the Required Lenders unless such Subsidiary is a Consolidated Subsidiary of the Borrower and agrees to be bound by the terms and conditions of the Subsidiary Guarantee pursuant to an agreement of the type and to the extent described in clause (h) above; provided, however, that the Borrower or any of its Domestic Subsidiaries may form a Domestic Subsidiary for the purpose of implementing or giving effect to any acquisition permitted by Section 6.2(e) without such newly formed Domestic Subsidiary being required to be a party to the Subsidiary Guarantee so long as such newly formed Domestic Subsidiary shall have received none of the proceeds of any Loan or shall have no material assets.

(j) DISPOSITION OF ASSETS. Neither the Borrower nor any Subsidiary thereof shall, without the prior written consent of the Required Lenders, sell, transfer or otherwise dispose of (including by way of a sale and leaseback transaction) any its assets (whether real or personal) other than in the ordinary and usual course of its business.

(k) PERMITTED INVESTMENTS. Neither the Borrower nor the Subsidiary thereof shall, without the prior written consent of the Required Lenders, make any investment in any security (whether consisting of debt or equity or a partnership, limited liability company or other interest) or like instrument except for Permitted Investments (it being understood and agreed that this clause (k) shall not prohibit the investment in any Target to the extent permitted by the provisions of Section 6.2(e) hereof).

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1 EVENTS OF DEFAULT. If one or more of the following events or conditions (each, an "Event of Default") shall occur and be continuing, that is to say:
(a) the Borrower defaults in the payment of principal of any Revolving Note or the Swing Line Note when due, or any Guarantor defaults in observance or performance of any agreement contained in Section 2 of the Subsidiary Guarantee; or

(b) the Borrower defaults in the payment of interest on any Loan, or of the Unused Portion Fee, the Administrative Fee, any L/C Fee, the Fronting Fee or of any other fee, expense or other amount payable hereunder after the same becomes due and payable for more than three (3) Business Days after notice thereof has been given by the Agent to the Borrower (which notice may be telephonic); or

(c) the Borrower or any Subsidiary defaults in any payment of principal of or interest on, or fees and expenses relating to any other obligation for borrowed money (including without limitation the obligations arising under the U.K. Debt) beyond any period of grace provided with respect thereto or in the performance of any other agreement, term or condition contained in any instrument or agreement evidencing, securing, guaranteeing or otherwise relating to any such obligation and shall not have cured such default within any period of grace provided by such agreement and such obligation, either individually or in the aggregate, is for an amount in excess of $250,000 of the Indebtedness of the Borrower; or

(d) any written representation or warranty made by the Borrower, the Guarantors or the Pledgors in or pursuant to this Agreement or any other Loan Document or in any other documents, certificates, financial statements or reports furnished by the Borrower, the Guarantors or the Pledgors or any Subsidiary of any thereof in connection with the transactions contemplated hereby shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(e) (i) the Borrower shall default in the performance or observance of any covenant, condition or agreement contained in clause (c), (d), (h), (j),

(k), (l), (m), (s) or (t) of Section 6.1 and such default shall remained unremedied for more than ten (10) Business Days, or (ii) the Borrower shall default in the performance or observance of any other covenant, condition or agreement contained in Section 6.1 or any covenant, condition or agreement contained in Section 6.2; or

(f) the Borrower shall default in the performance or observance of any other covenant, condition or provision hereof or in any other Loan Document or any Pledgor shall default in the performance or observance of any covenant, condition or provision in the Pledge Agreement or in the Notarial Deed or any Guarantor shall default in the performance or observance of any covenant, condition or provision in the Subsidiary Guarantee (other than Section 2 thereof, as to which clause (a) of this Section 7.1 relates), as the case may be, and such default shall not be remedied within thirty (30) days after written notice thereof is received by the Borrower (or, in the case of a default under the Pledge Agreement, the Subsidiary Guarantee or the Notarial Deed, as the case may be, the applicable Pledgor or Guarantor) from any Lender or the Agent; or

(g) a proceeding (other than a proceeding commenced by the Borrower or any Subsidiary thereof, as the case may be) shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the Borrower or such Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrower or such Subsidiary or for any substantial part of its total assets, or for the winding-up or liquidation of its affairs and such proceedings shall remain undismissed or unstayed and in effect for a period of thirty (30) consecutive days or such court shall enter a decree or order granting the relief sought in such proceeding; or

(h) the Borrower or any Subsidiary thereof, as the case may be, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or such Subsidiary or for any substantial part of its total assets, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(i) a judgment or order shall be entered against the Borrower or any Subsidiary thereof, by any court, and (i) in the case of a judgment or order for the payment of money, either (A) such judgment or order shall continue undischarged and unstayed for a period of fifteen (15) days in which the aggregate amount of all such judgments and orders exceeds $100,000 or (B) enforcement proceedings shall have been commenced upon such judgment or order and (ii) in the case of any judgment or order for other than the payment of money, such judgment or order could, in the reasonable judgment of any Lender, together with all other such judgments or orders, have a materially adverse effect on the Borrower and its Subsidiaries taken as a whole; or

(j) subject to the proviso contained in Section 6.1(q) hereof, the Borrower shall cease to own (either directly or indirectly) 100% of the outstanding capital stock or other equity interests of its Subsidiaries; or

(k) the occurrence of a material adverse change in the financial condition, properties or assets of the Borrower and its Consolidated Subsidiaries, taken as a whole; or

(l) (i) any Termination Event shall occur with respect to any Benefit Plan, (ii) any Accumulated Funding Deficiency, whether or not waived, shall exist with respect to any Benefit Plan, (iii) any Person shall engage in any Prohibited Transaction involving any Benefit Plan, (iv) the Borrower or any ERISA Affiliate shall be in "default" (as defined in ERISA Section 4219(c)(5)) with respect to payments owing to a Multiemployer Benefit Plan as a result of the Borrower's or any ERISA Affiliate's complete or partial withdrawal (as described in ERISA Section 4203 or 4205) from such Multiemployer Benefit Plan,
(v) the Borrower or any ERISA Affiliate shall fail to pay when due an amount that is payable by it to the Pension Benefit Guaranty Corporation or to a Benefit Plan under Title IV of ERISA, or (vi) a proceeding shall be instituted by a fiduciary of any Benefit Plan against the Borrower or any ERISA Affiliate to enforce ERISA Section 515 and such proceeding shall not have been dismissed within 30 days thereafter, except that no event or condition referred to in clauses (i) through (vi) shall constitute an Event of Default if it, together with all other such events or conditions at the time existing, has not had, and in the reasonable determination of the Required Lenders will not have, a materially adverse effect on the Borrower and its Subsidiaries, taken as whole; or

(m) if (i) the Borrower or any Subsidiary thereof shall be suspended or debarred from contracting with the United States Government and such suspension or debarment shall not have been lifted within fifteen (15) days after the imposition thereof, or (ii) the United States Government shall have terminated any contract to which the Borrower or any Consolidated Subsidiary thereof is a party and such termination would have a material adverse effect upon the financial condition or prospects of the Borrower and its Consolidated Subsidiaries, taken as a whole;

(n) the occurrence of a Change in Control or a Potential Change in Control; then, and upon any such event, the Agent, with the consent of the Required Lenders, may (1) upon notice to the Borrower declare the entire outstanding principal amount, if any, of the Revolving Notes, the Swing Line Note, any and all accrued and unpaid interest thereon, the aggregate amount outstanding under all Standby Letters of Credit, any and all accrued and unpaid Unused Portion Fee, Administrative Fee, L/C Fees and the Fronting Fee, and any and all other amounts payable by the Borrower to the Lenders or the Agent under this Agreement or the Revolving Notes or the Swing Line Note to be forthwith due and payable, whereupon the entire outstanding principal amount, if any, of the Revolving Notes and the Swing Line Note, together with any and all accrued and unpaid interest thereon, the aggregate amount outstanding under all Standby Letters of Credit, any and all accrued and unpaid Unused Portion Fee, Administrative Fee, the fees in respect of Standby Letters of Credit, and any and all other such amounts and such reimbursement shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of the entry of an order for relief with respect to the Borrower or its Subsidiary under the Bankruptcy Code, any principal amount of the Revolving Notes and the Swing Line Note then outstanding, together with any and all accrued and unpaid interest thereon, the aggregate amount outstanding under all Standby Letters of Credit, any and all accrued and unpaid Unused Portion Fee, Administrative Fee and any fee in respect of any Standby Letter of Credit, and any and all such other amounts shall thereupon automatically become and be due and payable without presentment, demand, protest or notice of

any kind, all of which are hereby expressly waived by the Borrower; (2) terminate or reduce the Revolving Loan Commitment; (3) exercise any rights and remedies available to it under any Loan Document (including without limitation the Subsidiary Guarantee, the Pledge Agreement and the Notarial Deed) or under applicable laws, including without limitation any rights and remedies of a secured party under the Uniform Commercial Code in effect in the Commonwealth of Virginia and under the Netherlands Civil Code and under any other applicable laws.

ARTICLE VIII

THE AGENT

Section 8.1 APPOINTMENT OF AGENT.

(a) APPOINTMENT GENERALLY. Each of the Lenders hereby designates and appoints NationsBank, N.A. as the Agent of such Lender under this Agreement and the other Loan Documents, and each of the Lenders hereby irrevocably authorizes the Agent to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers as are set forth herein and therein, together with such other powers as are incidental thereto. The Agent agrees to act as such on the express conditions contained in this Article VIII.

(b) AGENT ACTS FOR LENDERS. The provisions of this Article VIII are solely for the benefit of the Agent and the Lenders and the Borrower shall have no right (including as third party beneficiary) to rely on or enforce any of the provisions hereof. In performing its functions and other duties under this Agreement and the other Loan Documents, the Agent shall act solely as agent for the Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for the Borrower or any of their Affiliates.

Section 8.2 NATURE OF DUTIES; NON-RELIANCE ON AGENT AND OTHER LENDERS.

(a) The Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement or in the other Loan Documents. The duties of the Agent shall be mechanical and administrative in nature. The Agent shall not have by reason of this Agreement or any other Loan Document a fiduciary relationship in respect of any Lender and is not a trustee for the Lenders. Nothing in this Agreement or any of the other Loan Documents, expressed or implied, is intended to or shall be construed to impose upon the Agent any obligations in respect of this Agreement or any of the other Loan Documents except as expressly set forth herein and therein. If the Agent seeks the consent or approval of the Lenders to the taking or refraining from taking of any action hereunder, the Agent shall send notice thereof to each Lender. The Agent shall promptly notify each Lender at any time the Required Lenders or all of the Lenders, as the case may be, have instructed the Agent to act or refrain from acting pursuant hereto. The Agent may execute any of its duties hereunder or under any other Loan Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent or any Affiliate thereof hereinafter taken, including any review of the affairs of the Borrower or any Subsidiary thereof, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Borrower and its Subsidiaries and made its own decision to make its Loans and issue or participate in the issuance of Standby Letters of Credit hereunder and enter into this Agreement and the other Loan Documents to which it is a party. Each Lender covenants that it will, independently and without reliance upon the Agent 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 analysis, appraisals and decisions in taking or not taking action under this Agreement or any other Loan Document to which it is a party, and to make such investigations as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Borrower and its Subsidiaries. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, assets, property, financial and other conditions, prospects or creditworthiness of the Borrower and its Subsidiaries which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 8.3 RIGHTS, EXCULPATION, ETC. Neither the Agent nor any of its Affiliates nor any of their respective officers, directors, employees, agents, attorneys or consultants shall be liable to any Lender for any action taken or omitted by it or such Person hereunder or under any of the other Loan Documents, or in connection herewith or therewith, except that (i) the Agent shall be obligated on the terms set forth herein for performance of its express obligations hereunder, and (ii) neither the Agent nor any such other Person shall have any liability hereunder or under any other Loan Document except to the extent arising out of its own gross negligence or willful misconduct (as determined by the final judgment of a court of competent jurisdiction). The Agent shall not be liable for any apportionment or distribution of payments made by it in good faith pursuant to the terms of this Agreement and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Lender to whom payment was due, but not made, shall be to recover from other Lenders any payment in excess of the amount to which they are determined to have been entitled. The Agent shall not be responsible to any Lender for any recitals, statements, representations or warranties made by the Borrower or Subsidiary thereof in this Agreement or in any other Loan Document or in any other document, certificate report or financial statement delivered by the Borrower or any Subsidiary thereof in connection herewith or therewith or for the execution, effectiveness, genuineness, validity, enforceability, collectibility, or sufficiency of this Agreement or

any of the other Loan Documents, or any of the transactions contemplated thereby, or for the financial condition of the Borrower or any of its Subsidiaries. The Agent shall not be required to make any inquiry concerning conditions of this Agreement or any of the Loan Documents or the financial condition of the Borrower or its Subsidiaries or the existence or possible existence of any Potential Event of Default or Event of Default. The Agent may at any time request instructions from the Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the other Loan Documents the Agent is permitted or required to take or to grant, and if such instructions are promptly requested, the Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not incur any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from the Required Lenders or, to the extent specifically provided herein, all the Lenders or unless it shall first be indemnified by the Lenders against any and all liability and expense which may be incurred by it by reason of refraining to take any action or withholding any approval. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders or, to the extent specifically provided herein, all the Lenders, and such instructions shall be binding upon all Lenders (including their successors and assigns).

Section 8.4 RELIANCE; NOTICE OF DEFAULT.

(a) The Agent shall be entitled to rely upon any written notice, statement, certificate, order, letter, cablegram, telegram, telecopy, telex or teletype message, statement or other document or any telephone message believed by it in good faith to be genuine and correct and to have been signed or made by the proper Person, and with respect to all matters pertaining to this Agreement or any of the other Loan Documents and its duties hereunder or thereunder, upon advice of legal counsel (including counsel for the Borrower, the Guarantors or the Pledgors), independent public accountants and other experts selected by it with reasonable care. The Agent may deem and treat each Lender as the owner of its interests hereunder for all purposes unless and until the Agent shall have received a duly executed instrument of assignment as contemplated by Section 9.8(c) hereof and the other conditions to assignment, to the extent applicable, shall have been satisfied.

(b) The Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default or Potential Event of Default unless the Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Event of Default or Potential Event of Default and stating that such notice is a "notice of Event of Default" of "notice of Potential Event of Default", as the case may be. The Agent shall take such action with respect to such Event of Default or Potential Event of Default as shall be reasonably directed by the Required Lenders.

Section 8.5 INDEMNIFICATION. To the extent that the Agent is not reimbursed and indemnified by the Borrowers or the Borrowers fail upon demand by the Agent to perform their obligations to reimburse or indemnify the Agent, the Lenders will severally reimburse and indemnify the Agent for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted by the Agent under this Agreement or any of the other Loan Documents, in proportion to each Lender's Pro Rata Share; provided, that no Lender shall be liable for (i) any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct (as determined by the final judgment of a court of competent jurisdiction) or (ii) the legal fees and expenses incurred by the Agent in connection with the execution and delivery of this Agreement and the other Loan Documents (to the extent not reimbursed by the Borrower). The obligations of the Lenders under this Section 8.5 shall survive the payment in full of the Revolving Loans and the Swing Line Loans and the termination of this Agreement.

Section 8.6 THE AGENT INDIVIDUALLY. With respect to its Pro Rata Share hereunder and the Revolving Loans, Swing Line Loans, if any, and Standby Letters of Credit made by it, the Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The term "Lenders" or "Required Lenders" or any similar terms shall, unless the context clearly otherwise indicates, include the Agent in its individual capacity as a Lender. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with the Borrower as if it were not acting as Agent pursuant hereto.

Section 8.7 SUCCESSOR AGENT; RESIGNATION OF AGENT.

(a) The Agent may resign from the performance of its functions and duties hereunder at any time by giving at least twenty (20) days' prior written notice to the Lenders and the Borrower. In the event that the Agent gives notice of its desire to resign from the performance of its functions and duties as Agent, any such resignation shall take effect only upon the acceptance by a successor Agent of appointment pursuant to clauses (b) and
(c) below.

(b) The Required Lenders shall jointly appoint a successor Agent, which shall be a Lender hereunder.

(c) If a successor Agent shall not have been so appointed within said twenty (20) day period, the retiring Agent shall then appoint a successor Agent who shall serve as Agent until such time, if any, as the Lenders appoint a successor Agent as provided above, it being understood and agreed that any successor Agent so appointed by the retiring Agent pursuant to this clause (c) need not be, notwithstanding the provisions of clause (b) above, a Lender hereunder so long as such successor Agent is a commercial bank organized under the laws of the United States of America or of any State thereof or of the District of Columbia and has a combined capital and surplus of at least $400,000,000.00.

(d) Upon the appointment of a successor Agent, the term "Agent" shall, for all purposes of this Agreement and the other Loan Documents, thereafter include such successor Agent, the retiring Agent shall be discharged from its duties and obligations as Agent, as appropriate, under this Agreement and the other Loan Documents and the successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, except that the retiring Agent shall reserve all rights as to obligations accrued or due to it, in its capacity as such, at the time of such succession and all rights (whenever arising) under Section 9.10 hereof.

Section 8.8 CERTAIN MATTERS REQUIRING THE CONSENT OF ALL LENDERS. Subject to the provisions of Section 8.9(ii) hereof, the consent of all the Lenders shall be required for taking any of the following required or permitted actions hereunder:

(i) any decrease or increase in any interest rate or margin applicable to any Loan or in any fee payable hereunder, or change in the method of computing the interest rate or margin applicable to any Loan or in any fee payable hereunder;

(ii) any change in the Maturity Date;

(iii) any increase in the Facility Amount;

(iv) the release of any collateral, including but not limited to the CACI Limited Shares and the CACI N.V. Shares;

(v) any change in the definition of Required Lenders;

(vi) any assignment or delegation of Borrower's Obligations and rights hereunder;

(vii) any change in the definition of Pro Rata Share;

(viii) any amendment, modification or waiver of this Section 8.8; and

(ix) any postponement of the date of payment of any principal, interest or fees (other than the Administrative Fee, which may be postponed or waived at the sole discretion of the Agent) due hereunder.

For the avoidance of doubt, all other actions, consents, waivers and amendments permitted or required hereunder by the Lenders shall be by the Required Lenders (unless such action, consent, waiver or amendment shall relate only to an individual Lender, in which case such action may be taken by such Lender individually).

Section 8.9 DEFAULTING LENDERS VOTE NOT COUNTED. Whenever the "Required Lenders" or "all the Lenders" shall be required or permitted to take any action pursuant to the provisions of any Loan Document, for so long as a Lender shall be in default of its obligation to advance its Pro Rata Share of any Loan or advance any other funds to the Agent or any other Lender as required hereunder:

(i) until the earlier of the cure of such default and the termination of the Revolving Loan Commitment, the term Required Lenders for purposes of this Agreement shall mean Lenders (excluding all Lenders whose default shall have not been cured) whose Pro Rata Shares represent more than sixty-six and two-thirds percent (66 2/3%) of the aggregate Pro Rata Shares of such Lenders; and

(ii) until the earlier of the cure of such default and the termination of the Revolving Loan Commitment, the term "all the Lenders" for purposes of this Agreement shall mean Lenders (excluding all Lenders whose default shall have not been cured) whose Pro Rata Shares represent one hundred percent (100%) of the aggregate Pro Rata Shares of such Lenders.

ARTICLE IX

MISCELLANEOUS

Section 9.1 AMENDMENTS AND WAIVERS; CUMULATIVE REMEDIES. No delay or failure of any Lender or the Agent or the holder of any the Revolving Notes or the Swing Line Note in exercising any right, power or privilege hereunder or under any other Loan Document shall affect such right, power or privilege; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of any Lender or the Agent or any other holder of the Revolving Notes or the Swing Line Note are cumulative and not exclusive of any rights or remedies which any of them would otherwise have. Neither this Agreement or any other Loan Document, nor any term, condition, representation, warranty, covenant or agreement hereof or thereof, may be changed, waived, discharged or terminated orally but only by an instrument in writing executed by the party against whom such change, waiver, discharge or termination is sought. Any waiver, permit, consent or approval of any kind or character (whether involving a breach, default, provision, condition or term hereof or otherwise) on the part of any Lender or the Agent or any other holder of any Note, or of the Borrower under this Agreement, or under any other Loan Document shall be effective only in the specific instance and for the purpose for which given and only to the extent set forth specifically in writing. No notice or demand given hereunder shall entitle the recipient thereof to any other or further notice or demand in similar or other circumstances.

Section 9.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties, covenants and agreements of the

Borrower, the Guarantors and the Pledgors contained herein or made in writing in connection herewith shall survive the execution and delivery of this Agreement, the Subsidiary Guarantee, the Pledge Agreement and the Notarial Deed, the making of Loans hereunder and the issuance of the Notes.

Section 9.3 SUPERVENING ILLEGALITY. If, after the Effective Date, as the result of (i) the adoption of any law, rule or regulation by any Governmental Body, (ii) any change in the existing laws, rules and regulations of any Governmental Body, (iii) the issuance of any order or decree by any Governmental Body, (iv) any change in the interpretation or administration of any applicable law, rule, regulation, order or decree by any Governmental Body (including any central bank or similar agency) charged with the interpretations or administration thereof, or (v) compliance by any Lender with any request or directive (whether or not having the force of law) of any Governmental Body, it shall be unlawful or impossible for any Lender to maintain the Revolving Loans or the Swing Line Loans, such Lender shall so notify the Borrower and the Agent and such Lender, by giving the Borrower at least one hundred twenty (120) Business Days' prior written notice, may require the Borrower to prepay the aggregate principal amount of, and all accrued and unpaid Unused Portion Fee and all other fees and all accrued and unpaid interest on, the Revolving Loans and the Swing Line Loans, as the case may be (together with any other amounts that may become payable hereunder as a result thereof, including all amounts pursuant to Section 9.10 of this Agreement), on a Business Day (the "Prepayment Date") specified in such notice. If after the date of this Agreement and prior to the initial Funding Date it shall become unlawful for any Lender to make any Revolving Loans or Swing Line Loans hereunder or to maintain its Commitment, this Agreement shall terminate forthwith with respect to such Lender and neither such Lender nor the Borrower shall have any further rights or obligations under this Agreement, provided, however, that the Borrower, in the event of any termination pursuant to this second sentence of Section 9.3, shall pay to such Lender the amount of all accrued and unpaid fees, if any, together with all amounts then due pursuant to Section 9.10 hereof. If it shall become unlawful for any such Lender to make any Revolving Loans or Swing Line Loans as provided in this Section 9.3, the Revolving Loan Commitment shall automatically be deemed to be decreased in the amount of such Lender's Pro Rata Share, and the Commitment of each such other Lender shall be adjusted accordingly.

Section 9.4 NO REDUCTION IN PAYMENTS. All payments due to the Lenders hereunder, and all other terms, conditions, covenants and agreements to be observed and performed by the Borrower hereunder, shall be made, observed or performed by the Borrower without any reduction or deduction whatsoever, including any reduction or deduction for any set-off, recoupment, counterclaim (whether sounding in tort, contract or otherwise) or tax.

Section 9.5 STAMP TAXES. The Borrower, on behalf of the Guarantors and the Pledgors, agrees to pay, and to save each Lender harmless from all liability for, any State or Federal stamp, transfer, documentary or similar taxes, assessments or charges (herein "Stamp Taxes"), and any penalties or interest with respect thereto, which may be assessed, levied, collected or imposed by or upon such Lender, or otherwise become payable by such Lender, in connection with the execution and delivery of this Agreement or the other Loan Documents.

Section 9.6 NOTICES. Any notice, statement, request or demand required or permitted hereunder to be in writing may be given by telecopy, telex, cable or other customary means of electronic communication or by registered or certified mail (return receipt requested) or express courier, postage prepaid. All notices, statements, requests and demands given to or made upon any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given or made, in the case of telephonic notice (to the extent expressly permitted hereunder) when made, or in the case of any other type of notice, when actually received, if:

to the Borrower, to it at:

CACI International Inc
1100 North Glebe Road
Arlington, Virginia 22021

Attention: James P. Allen Telephone:(703) 841-7946
Telecopy:(703) 522-6895

if to the Agent, to it at:

NationsBank, N.A.

8300 Greensboro Drive

Suite 550
McLean, VA 22102
Attention: James W. Gaittens Telephone: (703) 761-8022 Telecopy:(703) 761-8059

and if to any Lender, to it at its address specified opposite its name on the signature pages hereto.

or such other address for notice as any party hereto may designate for itself in a notice to the other party, except in cases where it is expressly provided herein that such notice, statement, request or demand shall not be effective until received by the party to whom it is addressed.

Section 9.7 GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN THE NOTARIAL

DEED) SHALL BE DEEMED TO BE CONTRACTS UNDER THE LAWS OF THE COMMONWEALTH OF VIRGINIA AND, FOR ALL PURPOSES, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES.

Section 9.8 SUCCESSORS AND ASSIGNS; PARTICIPATIONS; ASSIGNMENTS.

(a) SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective permitted successors and assigns of the parties hereto, provided that the Borrower may not assign or transfer any of its interest hereunder without the prior written consent of the Lenders and the Agent.

(b) PARTICIPATIONS. Any Lender may sell participation in all or any part of the Revolving Loans made by it or its Commitment or any other interest herein or in its Revolving Note or in any other document delivered or instrument delivered in connection herewith to another bank or other entity. In the case of such participation by a Lender, (i) the participant shall not have any rights under this Agreement or the applicable Revolving Note or any other document or instrument delivered in connection herewith (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto), (ii) all amounts payable by the Borrower shall be determined as if such Lender had not sold such participation and (iii) the Borrower shall continue to deal directly with such Lender with respect to the transactions contemplated hereby.

(c) ASSIGNMENTS. Each Lender may assign any of its rights or interests under the Loan Documents to one or more financial institutions, provided that:

(i) each such assignment shall be in an amount not less than $10,000,000.00 (or such lesser amount if, after giving effect to such assignment and all other assignments by such Lender occurring substantially simultaneously therewith, such assigning Lender shall hold no Commitment or any Revolving Loan);

(ii) each such assignment by a Lender of its Commitment or Revolving Loans shall be made in such manner so that the same portion of such Lender's Commitment, Revolving Loans, Revolving Note and obligations in respect of any Standby Letter of Credit is assigned to the respective assignee Lender;

(iii) the assigning Lender shall pay to the Agent a one-time fee in the amount of $3,500.00; and

(iv) the Agent shall have consented to such Assignment, which consent shall not be unreasonably withheld or delayed.

Upon execution and delivery by the assignee to the Borrower and the Agent of an instrument in writing pursuant to which such assignee agrees to be a "Lender" hereunder (if not already a Lender) having the Commitment and Revolving Loans specified in such assignment, and upon the consent of the Agent as provided above, the assignee shall have, to the extent of such assignment, the rights, benefits and obligations of a Lender hereunder holding the Commitment, Revolving Loans (or portions thereof) and Standby Letters of Credit or deemed participations therein, as applicable, assigned to it pursuant to such assignment (in addition to the Commitment, Revolving Loans (or portions thereof) and Standby Letters of Credit or deemed participations therein, as applicable, theretofore held by such assignee), and the assigning Lender shall, to the extent of such assignment, be relieved from its Commitment (or portion thereof) and other obligations hereunder so assigned.

Section 9.9 AFFIRMATIVE RATE OF INTEREST PERMITTED BY LAW. Nothing in this Agreement or in any Note shall require the Borrower to pay interest to the Agent for the account of the Lenders at a rate exceeding the maximum rate permitted by applicable law to be charged or received by the Lenders, it being understood that this Section 9.9 is not intended to make the criminal laws of any jurisdiction applicable in circumstances in which they would not otherwise apply. If the rate of interest specified herein, in any Revolving Note or in the Swing Line Note would otherwise exceed the maximum rate so permitted to be charged or received with respect to any amounts outstanding hereunder or under such Revolving Note or the Swing Line Note, the rate of interest required to be paid to the Agent for the account of the Lenders shall be automatically reduced to such maximum rate.

Section 9.10 COSTS AND EXPENSES; INDEMNIFICATION.

(a) Without regard to whether the Effective Date shall have come into existence or whether any Revolving Loan or Swing Line Loan or Standby Letter of Credit shall have been made or issued hereunder, the Borrower, on behalf of the Guarantors and the Pledgors, shall pay to each Lender and the Agent, as the case may be, and reimburse each Lender and the Agent for, as the case may be, and save each Lender and the Agent, as the case may be, harmless from and indemnify each Lender and the Agent, as the case may be, against losses from:

(i) in the case of the Agent, (x) all out-of-pocket cost and expenses of the Agent in connection with the preparation, execution, delivery, waiver, modification and amendment of this Agreement and any other Loan Document (to the extent applicable) and any other document or instrument delivered in connection with the transactions contemplated hereby, including, without limitation, the reasonable fees and expenses of counsel for the Agent with respect thereto, and (y) all out-of-pocket costs and expenses, if any (including without limitation, reasonable counsel fees and expenses), of such Agent in such capacity in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and any other Loan Document and any other document or instrument delivered in connection with the transactions contemplated hereby, including, for the avoidance of doubt and without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this clause (i); and

(ii) in the case of any Lender, all out-of-pocket costs and expenses, if any (including without limitation, reasonable counsel fees and expenses), of such Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and any other Loan Document and any other document or instrument delivered in connection with the transactions contemplated hereby, including, for the avoidance of doubt and without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this clause (ii).

(b) The Borrower, on behalf of itself, the Guarantors and the Pledgors, shall indemnify and hold harmless each Lender, the Agent and their respective affiliates, officers, directors, employees, agents and advisors (each, an "Indemnified Person") from and against, and pay and reimburse each Indemnified Person for, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel) which may be incurred by or asserted or awarded against any Indemnified Person in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement, the Subsidiary Guarantee, the Pledge Agreement, the Notarial Deed, the Revolving Notes, the Swing Line Note and any other document or instrument delivered in connection with the transactions contemplated hereby, whether or not an Indemnified Person is a party hereto or thereto and whether or not the Effective Date shall have come into existence or any Revolving Loan or Swing Line Loan or Standby Letter of Credit has been made or issued under this Agreement; provided, however, that, and except as specifically limited by the next succeeding proviso, the Borrower shall have no obligation to indemnify or hold harmless any Indemnified Person for liability or expenses to the extent arising out of such Indemnified Person's gross negligence or willful misconduct; and provided, further, and that the Borrower shall have no obligation to indemnify or hold harmless any Indemnified Person for liability or expenses arising out of any investigation, litigation or proceeding instituted by the Borrower against an Indemnified Person if such liability or expenses are attributable to the negligence of such Indemnified Person in the performance of such Indemnified Person's obligations under any Loan Document as finally determined by a court of competent jurisdiction or as mutually agreed upon by such Indemnified Person and the Borrower (it being understood and agreed that nothing contained in this proviso shall have the effect of limiting or otherwise prejudicing any Indemnified Person's right to indemnification hereunder for liability or expenses arising out of any investigation, litigation or proceeding instituted by the Borrower against an Indemnified Person in connection with any action or inaction taken by such Indemnified Person under, pursuant to or in connection with Section 2.3 hereof unless such liability or expenses are attributable to such Indemnified Person's gross negligence or willful misconduct.)

(c) All amounts payable by the Borrower under this Section 9.10 shall be immediately due upon written request by a Lender or the Agent, as the case may be, for the payment thereof. The obligations of the Borrower under this Section 9.10 shall survive the payment of the Revolving Notes and the Swing Line Note.

Section 9.11 SET-OFF; SUSPENSION OF PAYMENT AND PERFORMANCE. Each Lender and the Agent is hereby authorized by the Borrower, at any time and from time to time, without notice (a) during any Event of Default, to set off against, and to appropriate and apply to the payment of, the liabilities of the Borrower then due under this Agreement and any other Loan Document any and all liabilities owing by any Lender or the Agent or any of their Affiliates to the Borrower (whether payable in Dollars or any other currency, whether matured or unmatured and, in the case of liabilities that are deposits (including, without limitation, any funds from time to time on deposit in the Borrower Account or other account maintained with any Lender or the Agent Lender, whether general or special, time or demand and however evidenced and whether maintained at a branch or office located within or without the United States), and (b) during any Event of Default, to suspend the payment and performance of such liabilities owing by such Person or its Affiliates and, in the case of liabilities that are deposits, to return as unpaid for insufficient funds any and all checks and other items drawn against such deposits.

Section 9.12 JUDICIAL PROCEEDINGS; WAIVER OF JURY TRIAL. Any judicial proceeding brought against the Borrower with respect to any Credit Agreement Related Claim may be brought in any court of competent jurisdiction in the Commonwealth of Virginia, and, by execution and delivery of this Agreement, the Borrower (a) accepts, generally and unconditionally, the nonexclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with any Credit Agreement Related Claim and (b) irrevocably waives any objection it may now or hereafter have as to the venue of any such proceeding brought in such a court or that such a court is an inconvenient forum. The Borrower hereby waives personal service of process and consents that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of Section 9.6 of this Agreement, and service so made shall be deemed completed on the earlier of (x) the receipt thereof and (y) the fifth (5th) Business Day after such service is deposited in the mail. Nothing herein shall affect the right of any Lender, the Agent or any other Indemnified Person to serve process in any other manner permitted by law or shall limit the right of any Lender, the Agent or any other Indemnified Person to bring proceedings against the Borrower in the courts of any other jurisdiction. Any judicial proceeding by the Borrower against any Lender or the Agent involving any Credit Agreement Related Claim shall be brought only in a court located in the Commonwealth of Virginia. THE BORROWER AND THE LENDERS AND THE AGENT HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE PARTIES INVOLVING ANY CREDIT AGREEMENT RELATED CLAIM.

Section 9.13 INTEGRATION. This Agreement and the Other Loan Documents constitute the entire agreement of the Agent, the Lenders, the Borrower and the Guarantors with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to the subject matter hereof or thereof not expressly set forth or referred to herein or in the other Loan Documents.

Section 9.14 FURTHER ACTS AND ASSURANCES. The Borrower shall, and shall cause the Guarantors or CACI N.V. to, promptly and duly execute and deliver to a Lender or the Agent, as the case may be, and to such other persons as such Lender or the Agent shall designate, such further instruments and shall take such further action as may be required by law or as such Lender or the Agent may from time to time request in order more effectively to carry out and accomplish the intent and purpose of this Agreement and the other Loan Documents and to

establish and protect the rights and remedies created or intended to be created in favor of the Lender hereunder or under any other Loan Document.

Section 9.15 NO FIDUCIARY RELATIONSHIP. The Borrower acknowledges that no provision of this Agreement or in any of the other Loan Documents, and no course of dealing between any Lender or the Agent and the Borrower, the Guarantors or CACI N.V. shall be deemed to create any fiduciary duty by the Agent or any Lender to the Borrower, the Guarantors and CACI N.V.

Section 9.16 SEVERABILITY. The provisions of this Agreement are severable, and if any clause or provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such clause or provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability of such clause or provision in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 9.17 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each complete set of which, when so executed and delivered by all parties, shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 9.18 HEADINGS, BOLD TYPE AND TABLE OF CONTENTS. The section headings, subsection headings, and bold type used herein and the Table of Contents hereto have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement as of the day and year first above written.

BORROWER

CACI INTERNATIONAL INC

By: /s/
Name: James P. Allen
Title: Executive Vice President, Chief Financial Officer and Treasurer

AGENT

Address: NATIONSBANK, N.A.

8300 Greensboro Drive
Fifth Floor
McLean, Virginia 22102
Attention: Mr. James W. Gaittens
Telephone: (703) 761-8022
Telecopier: (703) 761-8059

By: /s/
Name: James W. Gaittens
Title: Senior Vice President

LENDERS

Address: NATIONSBANK, N.A.

8300 Greensboro Drive
Fifth Floor
McLean, Virginia 22102
Attention: Mr. James W. Gaittens
Telephone: (703) 761-8022
Telecopier: (703) 761-8059

By: /s/
Name: James W. Gaittens
Title: Senior Vice President

Address: FIRST UNION COMMERCIAL

CORPORATION

1970 Chain Bridge Road
McLean, Virginia 22102
Attention: Mr. Richard Schmersal
Telephone: (703) 760-5318
Telecopier: (703) 760-6019

By: /s/
Name: Richard M. Schmersal
Title: Vice President

Address: MELLON BANK, N.A.

1901 Research Boulevard
Rockville, Maryland 20850
Attention: Ms. Crissola Kennedy
Telephone: (301) 309-3427
Telecopier: (301) 309-3458

By: /s/
Name: J. Michael Troutman
Title: Vice President

Address: CRESTAR BANK

8245 Boone Boulevard
Vienna, VA 22182
Attention: Mr. Mark Swaak
Telephone: (703) 902-9123
Telecopier: (703) 902-9075

By: /s/
Name: R. Mark Swaak
Title: Vice President

Exhibit C to Revolving Credit Agreement

FORM OF
REVOLVING NOTE

REVOLVING NOTE

U.S.$ Dated: June , 1998

FOR VALUE RECEIVED, the undersigned, CACI International Inc, a Delaware corporation, (the "Borrower"), hereby promises to pay on June , 2003 (the

"Maturity Date") to the order of [NATIONSBANK, N.A.] [FIRST UNION COMMERCIAL CORPORATION] [MELLON BANK, N.A.] [CRESTAR BANK] (the "Lender") the principal amount of the lesser of (x) MILLION UNITED STATES DOLLARS ($) and (y) the aggregate amount of Revolving Loans made by the Lender to the Borrower pursuant to the Agreement (as hereinafter defined) and remaining outstanding on such date. Capitalized terms used (but not defined) in this Revolving Note shall have the meanings given to them in the Agreement (as hereinafter defined).

The Borrower promises to pay interest from the initial Funding Date of such Revolving Loans until the Maturity Date on the principal amount of this Revolving Note from time to time outstanding at the rate, and in the manner, prescribed in the Agreement. Any principal amount of, or any interest accrued on, this Revolving Note which is not paid on the date due shall bear interest from such due date until paid in full at the Default Rate. In no event shall the rate of interest borne by this Revolving Note at any time exceed the maximum rate of interest permitted at that time under applicable law.

Payments of the principal amount of and interest on this Revolving Note shall be made in lawful money of the United States of America to the Lending Office of the Agent on behalf of the Lender as provided in the Agreement.

This Revolving Note is one of the Revolving Notes referred to in the Revolving Credit Agreement, dated as of June , 1998 (the "Agreement"),

between the Lender, the other financial institutions from time to time a party thereto, the Borrower and the Agent. The Lender is entitled to the rights and benefits of the Agreement and the other Loan Documents, and the Agent, for the benefit of the Lender, is secured by certain collateral described in the Pledge Agreement and the Notarial Deed and is entitled to the benefits of the Subsidiary Guarantee. The Agreement, among other things, contains provisions for optional and mandatory prepayments on account of the principal of this Revolving Note by the Borrower and for acceleration of the maturity of this Revolving Note upon the terms and conditions therein specified.

THIS REVOLVING NOTE IS BEING ISSUED IN THE COMMONWEALTH OF VIRGINIA AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES.

CACI INTERNATIONAL INC

By: /s/
Name: James P. Allen
Title: Executive Vice President, Chief Financial Officer and Treasurer

ARTICLE I

Exhibit E to

Revolving Credit Agreement

FORM OF
SWING LINE NOTE

SWING LINE NOTE

U.S.$10,000,000.00 Dated: June , 1998

FOR VALUE RECEIVED, the undersigned, CACI International Inc, a Delaware corporation (the "Borrower"), hereby promises to pay on June , 2003 (the

"Maturity Date") to the order of NATIONSBANK, N.A. (the "Lender") the principal amount of the lesser of (x) TEN MILLION UNITED STATES DOLLARS ($10,000,000.00) and (y) the aggregate amount of Swing Line Loans made by the Lender to the Borrower pursuant to the Agreement (as hereinafter defined) and remaining outstanding on such date. Capitalized terms used (but not defined) in this Swing Line Note shall have the meanings given to them in the Agreement (as hereinafter defined).

The Borrower promises to pay interest from the initial Funding Date of such Swing Line Loans until the Maturity Date on the principal amount of this Swing Line Note from time to time outstanding at the rate, and in the manner, prescribed in the Agreement. Any principal amount of, or any interest accrued on, this Swing Line Note which is not paid on the date due shall bear interest from such due date until paid in full at the Default Rate. In no event shall the rate of interest borne by this Swing Line Note at any time exceed the maximum rate of interest permitted at that time under applicable law.

Payments of the principal amount of and interest on this Swing Line Note shall be made in lawful money of the United States of America to the Lending Office of the Agent on behalf of the Lenders as provided in the Agreement.

This Swing Line Note is the Swing Line Note referred to in the Revolving Credit Agreement, dated as of June , 1998 (the "Agreement"), between the

Lender, the other financial institutions from time to time a party thereto, the Borrower and the Agent. The Lender is entitled to the rights and benefits of the Agreement and the other Loan Documents, and the Agent, for the benefit of the Lender, is secured by certain collateral described in the Pledge Agreement and the Notarial Deed and is entitled to the benefits of the Subsidiary Guarantee. The Agreement, among other things, contains provisions for optional and mandatory prepayments on account of the principal of this Swing Line Note by the Borrower and for acceleration of the maturity of this Swing Line Note upon the terms and conditions therein specified.

THIS SWING LINE NOTE IS BEING ISSUED IN THE COMMONWEALTH OF VIRGINIA AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES.

CACI INTERNATIONAL INC

By: /s/

Name: James P. Allen
Title: Executive Vice President,
Chief Financial Officer
and Treasurer

SCHEDULE I TO

THE REVOLVING CREDIT AGREEMENT

Name of Lender	Commitment (in Dollars)
NationsBank, N.A.	$50,000,000.00
First Union Commercial Corporation	$30,000,000.00
Mellon Bank, N.A.	$22,500,000.00
Crestar Bank	$22,500,000.00

Schedule 5.12

Foreign Subsidiaries

1. CACI SYSTEMS AND TECHNOLOGY LTD, a corporation organized under the laws of Ontario, Canada

2. CACI Virgin Islands, Inc., a corporation organized under the laws of the United States Virgin Islands

3. CACI N.V., a corporation organized under the laws of The Netherlands

4. CACI Limited, a corporation organized under the laws of the United Kingdom

5. CACI-Dublin Limited, a corporation organized under the laws of Ireland

6. CACI Nederland B.V., a corporation organized under the laws of The Netherlands

Schedule 5.5

Litigation

1. CACI, INC.-FEDERAL is engaged in litigation with the State of Arizona Department of Transportation as more fully described in CACI International Inc.'s Forms 10K and 10Q filed beginning with the fiscal period ended June 30, 1996 and continuing through the fiscal quarter ended March 31, 1998.

2. Various litigation instituted by Pentagen Technologies International, Ltd. against CACI International Inc and certain of its subsidiaries as more fully described in CACI International Inc's Forms 10K and 10Q filed beginning with the fiscal year ended June 30, 1993 and continuing through the fiscal year ended June 30, 1997.

3. On May 18, 1998, Computer Systems and Communications Corporation (CSCC) transmitted a Demand Letter to CACI International Inc (CACI) seeking payment of Fifteen Million Dollars ($15,000,000) in damages allegedly caused by CACI's termination of efforts to acquire substantially all of the assets of CSCC.

Schedule 5.6

Defaults

1. Contract No. TI-00115-01 between the State of Arizona Department of Transportation (ADOT) and CACI, INC-FEDERAL (CACI). CACI notified ADOT in November, 1995 that CACI considered ADOT to be in material breach of the contract. ADOT, in turn, notified CACI that ADOT considered the contract terminated for default. The dispute is now in litigation as described in Schedule 5.5.

2. On May 18, 1998, Computer Systems and Communications Corporation (CSCC) transmitted a demand letter to CACI International Inc (CACI) alleging that CACI had materially breached an alleged contract under which CACI and CSCC allegedly had agreed that CACI would purchase substantially all of the assets of CSCC. Litigation has been threatened, but has not begun.

SCHEDULES

Schedule I	Lender Commitments
Schedule 5.5	Litigation
Schedule 5.6	Defaults
Schedule 5.12	Foreign Subsidiaries

EXHIBITS

Exhibit A	Notarial Deed
Exhibit B	Pledge Agreement
Exhibit C	Form of Revolving Note
Exhibit D	Subsidiary Guarantee
Exhibit E	Form of Swing Line Note
Exhibit F	Form of Backlog Report